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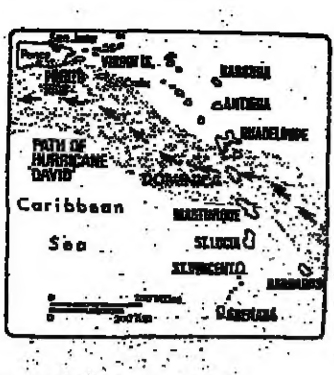
NEWS SUMMARY

GENERAL



Hurricane batters Caribbean islands

Hurricane David cut a destructive swathe across the Caribbean, devastating the island of Dominica and flattening its capital Roseau before moving on to batter the southern coast of Puerto Rico.

The hurricane, described by weathermen as the century's worst, destroyed 80 per cent of the vital banana crops on the French islands of Martinique and Guadeloupe.

According to reports from amateur radio operators in Dominica, at least four people died but the toll is expected to go much higher.

The eye of the hurricane passed directly over Dominica. Radio reports said three-quarters of the island's 90,000 inhabitants were made homeless. A British frigate, carrying two helicopters, is heading for the island to give help.

SALT hopes

U.S. Senator Joseph Biden said that talks in Moscow with Soviet Premier Alexei Kosygin had convinced him that Russia will agree to modifications in the recently-signed SALT-II treaty. The Russians were also said to be willing to discuss cuts in nuclear weapons when talks begin on a SALT-III pact. Back Page

UK atom blast

Britain successfully exploded a nuclear weapon at the U.S. Government's underground test site in the Nevada Desert. It is understood the test was connected with the improved Polaris warhead due to enter service next year.

Mulder cleared

A Pretoria court cleared former Cabinet Minister Connie Mulder of contempt in refusing to give evidence to the Erasmus inquiry into the misuse of funds by South Africa's information service. A judge ruled that the Erasmus Commission had exceeded its terms of reference. Back Page

Strike may end

Civil Service unions have reached a draft agreement with inner London magistrates to end the strike by 600 court staff which began last Monday. Staff will vote today on an offer of a 9 per cent pay increase backdated to July 1, with 5 per cent more from October 1.

Ships collide

Thirty-eight fishermen are missing, feared drowned, after their Panamanian-registered trawler was in collision with a Dutch bulk carrier off Dakar, Senegal.

Lulu injured

Pop singer Lulu was taken to hospital with head injuries, cuts and shock after her car was involved in a collision with another car near Birchington, Kent.

Briefly . . .

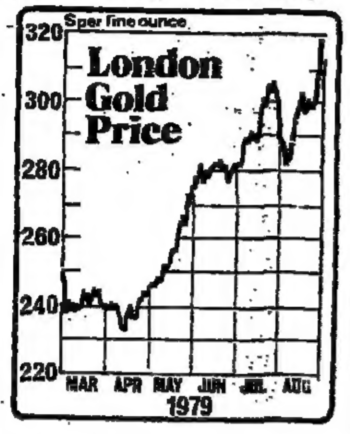
Nuclear power plant at Olkiluoto, Finland, closed after spill of radioactive water sent radiation levels five times above the safety level.

England were 245 for 5—Gooch, 79 not out—on the first day of the final Cornhill Test against India at the Oval.

BUSINESS

Gold at new high; Equities up 3.2

● **GOLD touched an all time high of $319¾ in London before finishing at a record closing level of $319¾, a rise of $3¾.**



● **STERLING** lost 15 points to close at $2.2510, and its trade-weighted index fell to 71.8 (72.1). The dollar's index was 84.7 (85.0).

● **EQUITIES** were underpinned by statements from Plessey and Blue Circle, and the FT 30-share index closed 3.2 up at 469.5.

● **GILTS** were unsettled by NIESR predictions, and the Government Securities index fell 0.29 to 73.35.

● **WALL STREET** was 2.22 down at 882.68 near the close.

● **BP** is about to announce results of the most encouraging oil discovery so far made off the west coast of Ireland. Back page; Energy Review, Page 8

● **MOTOR AGENTS** Association has again attacked the major oil companies, saying they were stepping up their policy of "squeezing out" small petrol stations. Back Page

● **WEST GERMANY** stands a good chance of gaining an order from Argentina for a heavy water nuclear reactor, but there are no negotiations for a long-term nuclear deal between the countries. Page 2

● **SASOL**, South Africa's state-owned oil-from-coal producer, has signed an agreement with Fluor, the U.S. construction company, for the joint marketing and licensing of Sasol's synthetic fuel technology in the U.S. Page 4.

● **U.S.** recorded a $2bn (£888m) trade surplus with Communist countries in the first six months of the year, up 28 per cent from the first half of 1978. Page 4

● **UK EXPORTS** to West Germany rose 30 per cent to DM 7.5bn (£1.84bn) in the first half of this year against the same period in 1978. Page 4.

● **ESTATE AGENTS** have scope for far greater competition in spite of the recent emergence of more commercially aggressive companies, the Price Commission says. Page 6

LABOUR

● **TRADE UNION** leaders discussing motions for debate at the annual Congress next week rejected General Secretary Len Murray's cautious line on two policy issues. The revolt was interpreted by the Left as a sign of growing pressure on the "TUC establishment." Back Page

COMPANIES

● **PLESSEY** pre-tax profits advanced from £12.41m to £13.17m in the first quarter to June 30 1979 on sales up from £151.9m to £170m. The group is "quietly confident" about the rest of the year. Page 14 and Lex

● **BLUE CIRCLE** Industries, the cement group, reports pre-tax profits down from £21.3m to £20.6m in the first half of 1979 on sales of £228.3m (£198.8m). Page 14 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

BPB	155	+ 5
Benlox	34	+ 6
Blue Circle	278	+ 14
Borthwick (T.)	78	+ 4
Carr's Milling	86	+ 4
Clarke, Nickolls	125	+ 13
Ladbroke	180	+ 6
Linfood	172	+ 6
Lloyds Bank	297	+ 12
London & Overseas Freighters	34	+ 3½
Lyle Shipping	195	+ 9
MK Electric	232	+ 9
Muirhead	254	+ 8
Newarthill	208	+ 10
Pearl Assurance	258	+ 8
Plessey	124	+ 7
Rolls-Royce	72	+ 4
Savoy A	94	+ 7
Scottish Agric. Inds.	188	+ 10
Scottish Heritable	53	+ 4
Stylo Shoes	242	+ 7
Whittingham	94	+ 7
Burmah Oil	154	+ 7
LASMO	272	+ 16
Oil Expln.	362	+ 14
Bracken	117	+ 8
Doornfontein	385	+ 39
Eagle Corp.	17½	+ 3
Loraine	110	+ 11
North Broken Hill	127	+ 13
Oakbridge	102	+ 7
Pacific Copper	117	+ 5
Paringa	32½	+ 4½
RTZ	310	+ 8
Vogels	87	+ 7

FALLS

Treasury 12pc 1983	£99⅞	− ⅜
Treas. 12½pc 1993	£101⅞	− ⅜
Dewhurst (I. J.)	87	− 5
Huntleigh	68	− 9
Stewart Wrightson	186	− 12

Cabinet agrees big increase in strength of Ulster police

BY RICHARD EVANS IN LONDON and STEWART DALBY IN DUBLIN

The Cabinet sanctioned a substantial increase in the strength of the Royal Ulster Constabulary yesterday in the aftermath of the assassination of Earl Mountbatten.

The decision to increase the strength of the RUC from just under 6,500 to 7,500 in the next few months was taken as a politically more acceptable alternative to increasing further the number of troops in the province, now at 13,000. But Ulster officials are not very hopeful that many of the new recruits will be Catholic.

In the Irish Republic yesterday, two men were charged in a special criminal court with the murder of Lord Mountbatten on Monday. The Provisional IRA has claimed responsibility for the murder.

The two men were detained on Tuesday for possessing explosives in the Republic, but close to the border with Northern Ireland. They have been in custody ever since.

Mr. Jack Lynch, the Irish Prime Minister, has also agreed to meet Mrs. Thatcher for talks about the implications of the IRA's recent activities when he visits London next Wednesday for Lord Mountbatten's funeral.

Mrs. Thatcher is anxious to improve cross-border co-operation between the British and Irish security forces, and a list of British proposals was drafted at a Downing Street meeting of senior Ministers last night.

It was made clear in Whitehall that Mrs. Thatcher intends to exert renewed pressure on the Irish Government to take more positive steps to curtail the activities of IRA terrorists in the Republic.

The Prime Minister, who has taken personal charge of the Government's reaction to the Bank Holiday outrages, when 18 British soldiers were killed in addition to the assassination of Lord Mountbatten, clearly hopes that the developments will persuade Mr. Lynch to reconsider his policy. In recent months the Dublin Government has shown little wish to accept British proposals on Ulster security.

The "shopping list" of proposals drawn up at last night's meeting, attended by Mrs. Thatcher, Lord Carrington, the Foreign Secretary; Mr. William Whitelaw, Home Secretary; Mr. Francis Pym, Defence Secretary, and Mr. Humphrey Atkins, Northern Ireland Secretary, is understood to concentrate on three items:

● As there is no expectation that the Irish Government will ever agree to the extradition to Ulster of suspected terrorists, Mr. Lynch will be pressed again to grant permission to RUC detectives to interview suspects detained in the Republic.

● Greater co-operation and tighter security on the border will be urged to match the RUC's regional crime squad and mobile force.

● Mr. Lynch will be asked to clamp down on IRA activities in the rest of the Republic, particularly fund raising through armed bank robberies and the establishment of training camps for terrorism.

The two men arrested are Francis McGirl, aged 24, who is single and from Ballinamore in County Leitrim, and Thomas McMahon, 31, of Lisanisk, County Monaghan, who is married with one child.

They will be tried in Dublin because the crimes were committed in the Republic. Suggestions ascribed to Mr. John Taylor, the Official Unionist

Continued on Back Page

Reuss attacks Bonn over tight monetary policy

BY JOHN WYLES IN NEW YORK

CONGRESSMAN Henry Reuss, chairman of the banking committee of the U.S. House of Representatives, launched a sharp attack yesterday on West German monetary policy. It included an appeal in German for caution lest the rest of the world is driven into depression.

The statement by Mr. Reuss indicates growing political nervousness in Washington about the high levels of U.S. interest rates. The banking system moved on Tuesday to a record 12¼ per cent prime rate.

Unusually, Mr. Reuss chose not to lay the blame on the Federal Reserve Board but on West Germany whose "super-tight monetary policy" was, he said, forcing the Fed to push up U.S. interest rates to protect the dollar.

Mr. Reuss then went an uncommonly long way towards lecturing the Germans on how to manage their economy, claiming that the Government should "tax more and spend less."

Mr. Reuss is a leading Congressional spokesman on economic affairs and his anxiety about the impact of high interest rates at a time of slowdown and probable economic recession will be shared by many of his colleagues, particularly the Democratic representatives and senators who face re-election next year.

But the Congressman's analysis is not one which would be universally accepted among U.S. economists. In July the Fed was clearly prompted by pressure on the dollar to raise its discount rate from 9½ to 10 per cent and at the same time increase money market rates.

However, the most recent round of credit tightening which has taken the Fed's discount rate to 10½ per cent and other money market rates still higher, is generally attributed to a surge in the money supply and the lack of progress in reducing domestic inflation.

Nevertheless, Mr. Reuss warned that if "astronomically high" interest rates persisted, they would be "a good way of converting a recession into a depression."

In an unusual device for an American politician, he appealed in German to the Bonn Government: "For God's sake be careful."

Spillers orders Dalgety bid poll

BY CHRISTINE MOIR

SPILLERS, THE target of an unwelcome bid from Dalgety, has appointed a market research group to quiz its own shareholders about their reactions so far.

Dalgety has not yet posted its offer document to Spillers' shareholders — though this is expected in the next day or so — but meanwhile, in a highly unusual move, Market and Opinion Research International is carrying out a poll among Spillers' 31,000 small shareholders.

Although MORI says it has undertaken such research for other companies engaged in a bid, merchant bankers in the City yesterday could not recall examples of a company's researching its own shareholders before a bid's closing date.

Spillers' board says its main aim is to establish whether its statements on the bid have been getting through to shareholders and where it should concentrate its advertising once the bid gets fully underway with the publication of Dalgety's case.

It has asked shareholders a number of specific questions about their intentions, including whether they think the bid is fair and reflects the real value of Spillers.

Shareholders are also asked what they would consider to be a fair price for the company and are invited to respond with any figure between 0-25p and £1 plus. Dalgety's one for six share offer yesterday valued Spillers shares at just over 47p compared with a market price of 45½p.

One group of questions seeks to find out whether shareholders will follow their board's recommendations. They are asked whose advice they wil follow in deciding whether or not to sell. In particular they are asked whether it is important to them, or irrelevant in accepting a bid, whether it has the blessing of Mr. Michael Vernon, the chairman. And they are asked to assess whether Dalgety will eventually make Mr. Vernon an offer he cannot refuse.

Finally they are asked whether "on balance" they are satisfied with the performance of their shares since they bought them.

Yesterday MORI said the poll had been designed to give Spillers an assessment of their shareholders "perception" of the bid at this early stage to help the board formulate an effective strategy which would not waste shareholders' money.

£ in New York

—	Aug. 29	Previous
Spot	$2.2555-2565	$2.2430-2445
1 month	0.50-0.46 dis	0.32-0.28 dis
3 months	1.02-0.98 dis	0.88-0.82 dis
12 months	3.25-3.20 dis	3.20-3.05 dis

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For latest Share Index phone 01-246 8026

Engineers plan to step up action

By Alan Pike and Nick Garnett

ENGINEERING UNION leaders decided yesterday that there was no basis for resuming talks with employers on the industry's national pay dispute. They are recommending an intensification of industrial action.

The executive of the Confederation of Shipbuilding and Engineering Unions, meeting in Blackpool, agreed that a two-day strike planned for Monday and Tuesday next week should go ahead.

Tomorrow, the executive will recommend to a meeting of leaders of all engineering unions that the pattern of two-day strikes should be repeated every succeeding Monday and Tuesday.

Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, said he had no doubt that this recommendation would be endorsed unanimously.

Leyland Vehicles said yesterday that it was cutting, by an unspecified amount, its planned £66m investment next year because of the effects of the industrial action.

In a statement to all its UK employees, the company said the national overtime ban and one-day strikes had cut normal output by more than a-half. If the action continued, lay-offs would be inevitable and productivity schemes would be suspended.

The company described the action as "disastrous" and warned that it was rapidly approaching its borrowing ceiling from the banks to cover lost revenue that normally paid for its day-to-day operation. It could not now afford to go ahead with next year's full investment programme.

BL Cars also said that the action had had a disproportionate effect and the damage had been equally as serious as at Leyland Vehicles.

Mr. John Nott, Trade Secretary, referring to the engineering dispute, said on BBC radio yesterday that the unions were "leading their members down a cliffside like lemmings to their own destruction."

● Golden Ltd, perfume manufacturers, yesterday lost their appeal against a High Court judge's refusal to grant them an immediate injunction against the Amalgamated Union of Engineering Workers.

BL shop stewards reject pay structure. Page 7

Shipping lines face U.S. pricing probe

BY IAN HARGREAVES IN NEW YORK

A FULL-SCALE investigation of alleged price-fixing by Atlantic shipping lines is to be carried out by the U.S. Federal Maritime Commission.

The outcome of the inquiry could have a significant influence on 33 civil suits by shippers against seven European and U.S. shipping groups, which the lines fear could result in damages of up to $1bn.

The commission's investigation follows fines totalling $6.1m imposed in June on the shipping groups, one of which has Cunard as a member.

The commission says its investigation of the entire Atlantic liner shipping industry is necessary to establish whether the alleged violations of U.S. anti-trust law which led to the fines have ceased.

The fined companies, which include the Atlantic Container Line consortium, of which Cunard is a member, did not contest the criminal indictments, issued in June following a protracted Federal Grand Jury investigation.

They have maintained their innocence of the charges, which accuse the lines of not going through the correct procedures in establishing common tariff bands, but took the view that to contest the indictments would involve excessive legal expenses.

The investigation will cover all shipping lines serving Atlantic ports, including those which operate outside the conference price-fixing system.

An even more serious development for the accused shipping lines is the increase in civil damage suits by shippers, who are arguing that they suffered financial losses as a result of alleged malpractices.

So far 33 suits have been lodged, and the issue has been declared A Class action, which means that the courts will automatically rule on damages suffered by all the lines' customers in the period between 1971 and 1976.

Mr. Otto Porton, the U.S. president of Atlantic Container Line, says the companies will now vigorously contest the civil suits. "We have no alternative. We are fighting for our very existence," he said.

The Commission's investigation is also likely to be a lengthy affair, starting with the attempt to win access to documents suphoenaed by the grand jury.

The British Government has already made strong protests to the U.S. Administration about the Atlantic shipping row on the grounds that the U.S. authorities are trying to impose domestic anti-trust attitudes on international trade.

Reinsurers' $20m claim

BY JOHN MOORE

NINE international reinsurance companies have launched a $20m (£9m) legal action against Itel Corporation, a San Francisco-based leasing concern, Americas a wholly owned subsidiary of Sedgwick Forbes Bland Payne, the UK's largest insurance broker, March and McLennan Incorporated, the world's largest insurance broker and a Californian-based appraisal company.

The action is over disputed computer leasing insurances. The scheme at issue was created for Itel after Lloyd's stopped underwriting the mainframe computer business in 1977. It is unrelated to the Lloyd's computer policies.

Another major member of the Lloyd's of London insurance community is named in the action, Bland Payne (International), now merged into the Sedgwick Forbes Bland Payne group.

Although not a defendent in the action, Bland Payne (International) is alleged to have represented to the reinsurers that the business they were accepting covered "the appraisal of private dwelling houses located in North America and also in some instances possibly covering the appraisal of the value of trucks and other heavy machinery."

The action alleges that Bland Payne (International) neglected to communicate to and concealed from the reinsurers that computer leases or computers were the risks that were actually being reinsured.

The reinsurance concerns which have lodged the action are Sentry Insurance (UK), Ennia Insurance (UK), CNA Reinsurance of London, Yasuda Fire and Marine Insurance

Continued on Back Page

Furness-Holder suspends employee. Back Page

KWU HAS 'GOOD CHANCE' OF WINNING ARGENTINA ORDER

Lambsdorff quashes N-deal claims

BY JONATHAN CARR IN BONN

WEST GERMANY stands a good chance of gaining an order from Argentina for a heavy water nuclear reactor there—but no negotiations are under way on a broader long-term nuclear deal between the two countries.

This was made clear yesterday by Count Otto Lambsdorff, the Economics Minister, on his return from a three-week visit to Latin America, where Argentina was his final stop.

His return was preceded by Press reports from Buenos Aires suggesting that wide-ranging nuclear co-operation had been under negotiation, somewhat along the lines already concluded between West Germany and Brazil.

Count Lambsdorff described these reports as "nuclear science fiction." His discussions had only covered the possibility that a German company, Kraftwerk Union (KWU), might gain the order to build the second reactor of the Atucha nuclear project near Buenos Aires. He felt KWU stood a good chance, although the German offer was more expensive than a rival Canadian one.

This is the second time within a week that West Germany's nuclear links with South America have been the object of report and denial — and of criticism from the left-wing of the ruling Social Democrat party.

During Count Lambsdorff's *talks in Brazil*, a newspaper there carried what it said was the text of a secret accord between KWU and a Brazilian nuclear concern. This indicated that the Germans would have a decisive say over the future development of Brazil's nuclear programme.

KWU rejected these charges, suggesting that its name appeared to have been drawn for no good reason into an internal Brazilian political dispute.

The prospect of broader nuclear co-operation with Argentina has not only brought sharp criticism from the left-wing here, which abhors the idea of such ties with the Buenos Aires regime. It has also aroused concern in Washington, because of Argentina's desire to acquire not only a reactor but also a heavy water plant, which the Americans feel could be used to produce plutonium for nuclear weapons.

At one time, it seemed that Argentina wished to acquire the reactor and the heavy water plant together as a single package—with the West Germans technically able to supply both.

However, Count Lambsdorff made no reference to the plant in his comments on Atucha yesterday. It is understood that the Bonn Cabinet has taken no decision on the export of such a plant and that close consultations have been held with the U.S. on the matter.

90 Spanish mayors in nuclear protest

By Robert Graham in Madrid

MORE THAN 90 mayors from towns and villages in the Badajoz region of south-west Spain yesterday locked themselves into a town hall in protest against a plan to build a nuclear power station in the area.

The protest began on Tuesday and since then more mayors have joined in, most of them threatening to resign if permission to build the plant is not revoked.

Over the weekend the Government gave the go-ahead to two nuclear power stations on which work had been *frozen for 18* months. They are at Valdecaballeros, near Badajoz, along the Portuguese border, and at Trillo, near Guadalajara in central Spain.

Site work at Valdecaballeros was nearly complete when the Government decided last year to freeze all activity pending a review of its nuclear policy.

The nuclear programme was endorsed by parliament last month and this protest by mayors, though representing all shades of political opinion, has not been supported at a national party level.

The main concern is that the Valdecaballeros plant—twin units each with a 975 MW capacity—will utilise scarce water facilities and so damage irretrievably the livelihood of this poor and thinly-populated agricultural region.

Several of the mayors also claim that building permission was granted prematurely. They maintain that not all the legal norms have been fulfilled.

In an effort to head-off the protest the Ministry of Industry has sent a senior representative to Badajoz to explain the significance of the plant, a boiling water reactor.

Schmidt visits Berlin to mark war anniversary

BY LESLIE COLITT IN BERLIN

ON THE EVE of the 40th anniversary of the Nazi Blitzkrieg launched against Poland on September 1, 1939, Chancellor Helmut Schmidt, of West Germany, is in Berlin to mark the fateful decision taken here that unleashed the Second World War.

This is the second symbolic trip by Herr Schmidt in recent weeks to demonstrate to Germans and the world how totally the West German successor state to the Third Reich has changed.

First, Herr Schmidt sailed across the Baltic to Gdansk, formerly Danzig, in Poland to *meet Mr. Edward Gierek*, the country's Communist leader. There, 40 years ago, German warships opened fire on the Polish garrison.

Last night Herr Schmidt met 175 West Berliners and journalists in the Reichstag to discuss what conclusions West Germans have drawn from the war as well as the question of the country's future role in the world.

The West Berliners taking part in the discussion, which was seen on television in West and East Germany, were chosen by the symbolism of their dates of birth: 1914, 133—the year of Hitler's rise to power—1945 and 1949, the year both East and West Germany were founded.

On the other side of the Berlin Wall, Herr Erich Honecker, the East German President and party leader, attended a demonstration of military strength by the army.

He too, mentioned the fateful anniversary, telling airmen and anti-aircraft missile troops: "We spare no effort to guarantee a lasting peace." He added, however, that it could only be achieved against "bitter resistance from its enemies."

Chancellor Schmidt, while in Berlin, had talks with Herr Dietrich Stobbe, the governing major, who has been urging the leaders of East and West Germany to meet in order to give a needed impetus to *Ostpolitik* which he feels is stagnating.

This idea has been rejected by the Bonn Government which has said there is currently "no need" for Herr Schmidt to meet Herr Honecker in East Germany. The East German news agency replied acidly that "officials" in East Berlin note that Chancellor Schmidt had not even been invited.

Subsidised paradise, Page 13

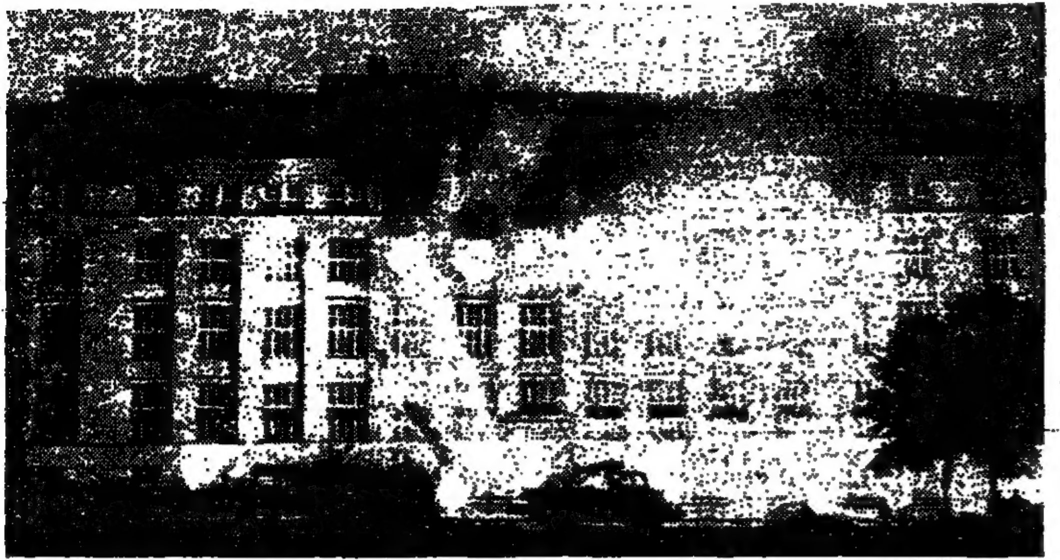
Fire rages in Austria central bank

By Paul Lendvai in Vienna

AUSTRIA'S international and domestic financial transactions have been disrupted *by a* fire *yesterday morning in the* central bank in Vienna. It destroyed several floors, including the data processing centre in the eight-storey building.

The fire, which broke out at 3 a.m. and spread rapidly, at one point threatenend a large hospital next door. It took five hours to bring it under control.

Although damage was extensive, President Stephan Koren said in a television interview that neither the mint nor the vaults where Austria's *gold and foreign* exchange reserves are stored, were affected.



Coming at the end of the month, the fire has caused particular problems for small companies and banks in need of central bank money. *Under strong police protection,* however, the cashiers of the bank continued to cope with the demands of the economy. President Koren stressed that all documents fed into the computer were duplicated and that there will be no *breakdown in payments transactions.*

● In the picture above, fire engines are silhouetted in the glare of flames leaping from the bank's upper storeys as firemen battled to contain the early morning blaze. Four firemen were admitted to hospital suffering from the effects of the smoke.

France's biggest oil group cutting crude supplies

BY DAVID WHITE IN PARIS

FRANCE'S biggest oil group, Compagnie Française des Petroles, is cutting crude supplies to companies other than its own Total affiliates.

The company, which is 40 per cent State-controlled, said it would have to reduce supplies by about 10 per cent on agreed levels. This affects contracts *covering about 15m tonnes* signed with clients for this year.

The move follows Iranian production cuts and the decision by some producers from which CFP usually buys crude, to sell directly on the free market.

This year's outside contracts were already sharply down on last, when CFP sold 21.2m tonnes—almost 30 per cent of its total resources—to other companies.

The group produced 53.7m tonnes last year and purchased another 17.8m.

CFP is reported to have held back on supplies this year, in some cases by 15-20 per cent. But in recent weeks, its deliveries were back to normal.

AP adds from Brussels: In the first eight months of this year, the price the EEC paid for outside petroleum supplies increased by 57 per cent, the European Commission

24-hour rail strike hits Italians

By Paul Betts in Rome

MEMBERS OF Italy's independent railway unions started a 24-hour strike last night causing severe disruptions in Italian rail services. The havoc is worsened because of the intense tourist traffic and Italians returning from their *summer holidays.*

Tourists are expected to face further difficulties following threats by non-aligned union members to resume the strike which blocked ferry services from the mainland to the islands last week, leaving thousands stranded.

The strikes have been condemned by the country's official trade union movement, which is coming under pressure increasingly from militant non-aligned members. These unions are seeking to negotiate independently better pay and working conditions, and traditionally disrupt transport services at this time every year.

● Two of the principal Italian defendants in the Lockheed payments scandal, each sentenced six months ago by the Italian Constitutional Court to more than two years' imprisonment, were released on parole yesterday.

Sig. Mario Tanassi, a former Defence Minister, and Sig. Ovidio Lefebvre were released because the judges of the Constitutional Court, the country's highest legal authority, are satisfied that the two defendants have shown proper contrition.

But the judges turned down *a request for parole by Sig.* Antonio Lefebvre (brother of Sig. Ovidio Lefebvre), the other principal defendant facing a jail sentence, in connection with the irregular payments of some $1.6m by Lockheed for the sale of 14 Hercules 130 aircraft to the Italian Air Force.

The judges said Sig. Antonio Lefebvre had so far not shown proper contrition and continued to deny any irregularities on his part in the affair.

Sig. Tanassi and Sig. Ovidio Lefebvre will have to report regularly to the Italian social services, who will supervise their parole.

Economic decline uncovers seam of discontent in Wallonia

BY GILES MERRITT IN BRUSSELS

"*BELGIAN WORKERS* are hard to gauge. They are basically very steady and reliable and do not have the French habit of taking to the streets in demonstrations at every opportunity. But suddenly, like in 1960, something sparks them off and then. . . ."

The trade union official waved his hands expressively as he left the sentence unfinished. It was partly for effect, but also because like everyone else in the hard-hit Wallonia region of Belgium he has no idea what social anarchy could result from worsening unemployment.

Wallonia, the French-speaking southern half of Belgium, seems headed for trouble. The ineluctable decline of its 19th century heavy industrial power base began over 30 years ago, but lately the economic deterioration has begun to snowball. Trade unionists and employers alike are now openly worried by developments—not least because the measures needed to reverse or even halt the trend are bogged down in *the morass of Belgian politics* that stems from the antipathy between Wallonia and Dutch-speaking Flanders.

While coal was king Wallonia flourished. Today it risks becoming an enclave of poverty, in marked contrast both to the rest of Belgium and to neighbouring Holland and West Germany.

At Liege the reality of an area being by-passed by progress is illustrated dramatically enough. Just east of the city the E5 motorway vaults high over the River Meuse, bearing streams of heavy lorries and the cars of prosperous holidaymakers making for the playgrounds of the Ardennes. Far below, in the ageing industrial townships that straggle along the Meuse Valley, joblessness is at 12 per cent and still rising. The bustle along the E5 bridge seems a world away from the depressed quiet of the streets beneath.

Wallonia's joblessness would stand at over 15 per cent, some trade union leaders believe, were it not for the employment incentives of the Plan Spitaels that was masterminded by Belgium's Labour Minister. As it is, the national unemployment average has been rising steadily since the beginning of last year and now stands at 7.1 per cent of the workforce, with school leavers shortly to swell *that figure to nearer 8 per cent.*

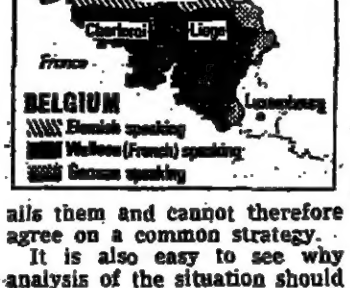
The lighter and more-modern industries of Flanders have not gone untouched by recession, and the textile and shipbuilding sectors there have suffered. But Wallonia represents the seriousness of the problem, both in terms of unemployed and in the absence of any evident solution.

Liege is a case in point—the unemployed number 40,000, or one in seven of all Belgian workers on the dole. Of late it has seen the number of men employed in steelmaking dwindle from 30,000 to 20,000, with metal working and engineering shedding a comparable number of jobs. Only a few months ago this process of industrial running-down was highlighted by the closure of the last of the scores of collieries that once fuelled industry.

Whether Liege is the most seriously affected of Wallonia's once great industrial centres is a moot point. It can be argued that the Charleroi basin or the Mons region have similar unemployment totals and still greater structural difficulties. More to the point, all of Wallonia's industrial cities have in common a clouded future with few silver linings in sight.

M. Michel Vandestrick, who heads the influential employers grouped in the Union Wallonne des Entreprises de Liege, warns *that Wallon industry is not only* currently ill-equipped to face the problem of its decline, but is also hard-put to diagnose exactly what the problem is.

M. Vandestrick is also chief executive of the engineering group of Fabrique Nationale Herstal, and has first hand experience of converting traditional but loss-making activities into more profitable operations. He fears that the Walloon Patronat (the employers) are divided over diagnoses of what ails them and cannot therefore agree on a common strategy.



It is also easy to see why analysis of the situation should elude industrialists whose workforces have since the mid 1960s notched up increases in productivity averaging almost 8 per cent a year, but whose profitability during that time has *slipped so far that the average* yield to stockholders has for a decade been well below that of government bonds.

Since 1968, Belgium investors have been able to realise around 1 per cent more from the Gilts market than from industrial equities, and the result has been industry slowly dying from capital starvation. The effect of this on attempts to modernise the traditional industries of Wallonia was for a *time cancelled out by the surge* of U.S. and other multinationals' investment in Belgium.

But by the mid 1970s recession and expensive Belgian labour costs began to tell and during the last five years a-tenth of the 1,000 larger foreign companies in Belgium have ceased operations. By 1981 it is estimated that U.S. investment in Belgian manufacturing industry will have dropped almost 40 per cent from the 1977 level.

A massive injection of investment capital *is* precisely what Wallonia needs. So far there are no signs that it will get it. Belgium's government spending deficit has already reached alarming proportions and must be cut back. The only sizeable state funds currently earmarked are the BFr 60bn (£920m) for restructuring the ailing steel industry in Wallonia. The *orders that the modernisation* programme will involve will be welcome, but no one pretends that they will generate a turn-around in Wallonia's fortunes.

The Walloon employers' approach to the problem has so far been cautious and low key. There has been one notable example of a rescue operation. Local business leaders combined last year to streamline and recapitalise the near bankrupt steel sheet making concern of *Press Raskin. In co-operation* with the receiver, the company's 400-strong workforce was trimmed to 180, and the hope is that similar action will in future help resuscitate other companies in difficulty.

Steps are also being taken to promote mixed capital ventures in the region, with various state agencies matching private investments. But although this scheme could yield several billion Belgian francs over the next few years and has received strong trade union backing, the Walloon unions grouped in the *Federation Generale du Travail* de Belgique (FGTB) are clearly worried it may be too little and too late.

M. Robert Gillon, who leads the powerful metalworkers of the FGTB in Liege, is openly concerned by the possibility that if the employment picture worsens further there could be an uncontrollable reaction.

Until only four months ago, he says, high levels of social security benefit were insulating even the unemployed against the crisis, but now the effects are beginning to bite.

Like many other trade union chiefs, M. Gillon is perturbed by the outlook for industry. "I can negotiate with difficult management," he comments, "but what I cannot cope with is a bankrupt employer."

M. Gillon shares with *Walloon employers the fear* that some freak incident could trigger a social explosion in the region. At present eyes are fixed on the plant of the Glaverbel glassmaking giant at Gilly, near Charleroi, where a dispute over short time working is now hardening into confrontation. Walloon industrialists often complain of the inflexible conservatism of their workers, and perhaps the Glaverbel militants' new slogan sums that up: "De luxe unemployed No, workers Yes."

The last time that Wallonia's workers *downed tools en masse* was in 1960, when a clumsy governmental adjustment of the social security system provoked open and bloody revolt.

With Belgium's public finances now in a parlous state, the idea of curtailing the generous level of social benefits is being discussed informally in Brussels and viewed apprehensively *in Wallonia.* In *happier* times neither an ill-tempered strike nor a readjustment of state spending would provoke trouble but nowadays Wallonia is like dynamite past its best. At first it just sweats, but then it becomes dangerously unstable.

Talks on reviving French Union of the Left

BY ROBERT MAUTHNER IN PARIS

THE French Communist Party has accepted a proposal by M. Francois Mitterrand, the Socialist leader, for a joint meeting to discuss a possible rrevival of the old Union of the Left, though its response was couched in noticeably luke-warm terms.

M. Mitterrand suggested earlier this month that the alliance could best be re-created by the adoption of joint positions and action programmes by the militants of both parties, rather than through an agreement at the summit.

If it was found that the Socialists and Communists could *co-operate at rank-and-file level*, the alliance could always be sealed at a later date by a pact signed by the party leaders.

The Socialist leader was obliged to adopt this cautious step-by-step approach because the Communists had already made it clear that they were strongly opposed to any new top-level agreement for the moment.

The Communists still hold M. Mitterrand responsible for the collapse of the Union of the Left in Autumn 1977, which lost the two parties the General Election the *following March*, and are anxious to avoid another similar disaster.

On the other hand, it was clearly difficult for the Communists to turn down the Socialists proposal completely, particularly since it was in line with suggestions that M. Georges Marchais, the Communist leader, had made only a week or two before. To have done so, would also have laid the party open to accusations that it was wrecking any prospect of a united front in opposition to the Government's unpopular economic policies.

In its reply accepting a meeting *of officials of the* two parties, the Communists' political bureau stressed that the Socialist and Communist positions were still far apart.

The Socialists, it claimed, had not been prepared to support *recent protests* by workers against the Governments' economic and industrial policies. Moreover, the Socialists were more interested in promoting the prospects of their own candidate in the Presidential election, due in spring 1981, than in a genuine union of the left-wing parties.

The healing of the rift, *if* it ever takes place at all, will necessarily be a long process.

Amsterdam dock workers return

AMSTERDAM — Dock workers were returning to work here yesterday, according to the employers.

The men, who are employed at three general cargo stevedoring companies, decided to resume work after employers and unions agreed to reopen wage talks. The employers are *due to receive* the union wage demands today.

Some 1,500 workers, or about 75 per cent of the Amsterdam dock labour farce, were estimated to have ceased work at the height of the stoppage which at one time involved container terminal workers.

Reuter

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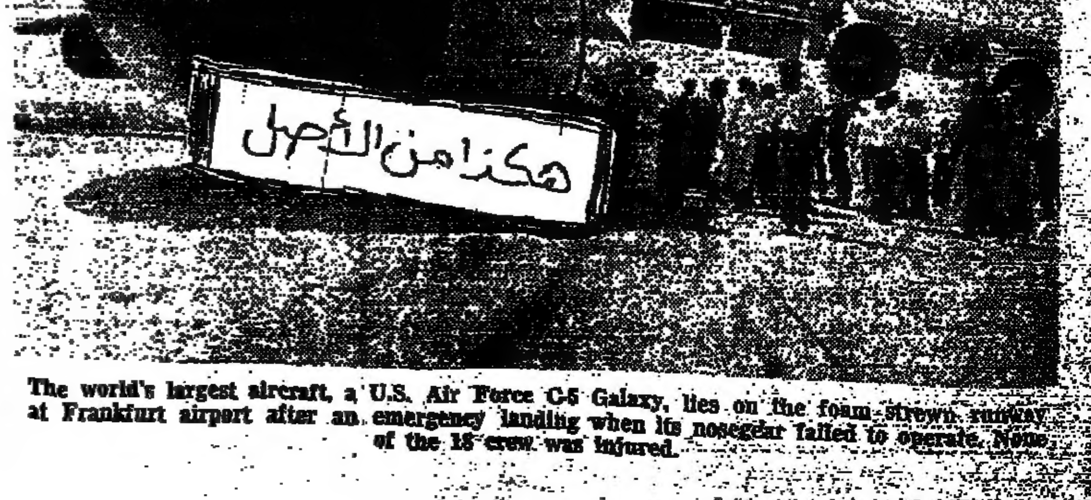


The world's largest aircraft, a U.S. Air Force C-5 Galaxy, lies on the foam-strewn runway at Frankfurt airport after an emergency landing when its nosegear failed to operate. None of the 18 crew was injured.

Dayan meets PLO's Red Crescent leader in 'live-together' talks

BY DAVID LENNON IN TEL AVIV

MR. MOSHE DAYAN, Israel's Foreign Minister, who protested to Washington over a recent meeting between Mr. Andrew Young, U.S. Ambassador to the UN, and an official of the Palestine Liberation Organisation, met for 90 minutes on Wednesday with Dr. Haider Abdul Shafi, the leading PLO supporter in the Gaza Strip.

Apparently indifferent to the irony of the situation, Mr. Dayan explained afterwards that he had sought the meeting "to get some answers on how Israel and the Arabs can live together. You cannot get the Arab opinion by sitting and talking with the Jews," he said.

Earlier this month Mr. Dayan sent an official Israeli protest to Washington over the meeting between Mr. Young and Mr. Zehedi Labib Terzi, the PLO UN observer.

Israel complained that this contravened an American undertaking not to meet with the Liberation Organisation. In the ensuing row Mr. Young was forced to resign.

Dr Shafi, head of the Red Crescent in Gaza, was chairman of the Parliament of the Liberation Organisation in Gaza before 1967 and later was listed as a member of the Palestine National Council.

Dr. Shafi was twice exiled from Gaza by the Israeli military Government, when Mr. Dayan was Defence Minister, because of his political activities in the Strip.

Asked if he was aware of the doctor's position, Mr. Dayan said: "I am familiar with Dr. Shafi and that is exactly why I wanted to meet with him."

According to Press reports, Mr. Dayan had told Cabinet colleagues that he was planning the meeting because he decided that, to learn something about PLO thinking, there was no point in meeting with moderates but only with out and out Liberation Organisation supporters.

Mr. Moshe Dayan . . . no point in meeting with moderates

Dr. Shafi told Mr. Dayan that Gaza would want to be a part of an independent Palestinian State along with the West Bank. He also said that such a state could have open borders with Israel, "once an agreement was reached with the PLO."

Commenting on the meeting in general, Dr. Shafi said: "Mr. Dayan is fond of exploring, even in a situation where there is no point to explore."

Meanwhile, Israeli military sources announced that between 100 and 110 people had been killed by Israeli attacks on Lebanon in the past four months. It was claimed that 70 to 80 of those killed were Palestinian guerrillas.

In addition, Israel said that 280 people were injured and 270 buildings were destroyed by the artillery shelling, air strikes and land raids since Israel went on to the offensive against the Palestinian guerrillas.

Australian Budget debate centres on tax plans

BY JAMES FORTH IN SYDNEY

PUBLIC DEBATE on the Australian Government's 1979-80 Budget has degenerated into a complicated argument over whether or not the changes will result in higher taxes this year.

Ministers have stopped talking about the benefits of the Budget, and instead are concentrating on reminding the public of the record of the previous Labor Government of Mr. Gough Whitlam between 1972 and 1975.

But in one important area — the capital markets—the Budget has been well received. It has also gone down well with investors. The stockmarket has surged to an eight-year high. Debate, however, has centred on the tax proposals—the removal of the 2.57 per cent tax surcharge introduced in the previous Budget but without reinstatement of income tax indexation.

Tax authorities and Opposition politicians have produced statistics indicating that the loss of indexation more than outweighs the gains from removal of the surcharge. This charge has been denied by the Government with its own set of statistics.

The Government was also forced to back away from a statement in the Budget papers that radio and television licence fees would rise by 50 per cent. It has been suggested the figure was a mistake, and that the rise is more likely to be about 10-15 per cent.

Unperturbed by such controversy, the money markets have made it clear that they approve of the Budget. Sales in Federal Government bonds have surged since the budget was announced.

Last year, the Budget erred by a wide margin in several areas, the deficit, inflation rate and money supply growth being much higher than expected.

This year, the Budget estimates a deficit of A$2.1bn (£1bn) against A$3.5bn (£1.7bn) last year, an inflation rate of about 10 per cent, and money supply growth of not more than 10 per cent.

Many analysts believe that this year the Government has erred on the side of caution and that the deficit will actually be smaller than forecast. A good chance exists that oil prices will rise further, swelling receipts. Judging from the buoyant profits reported to date by large companies, company tax receipts will also be well up..

Given these factors, it should prove a relatively simple task to fund the deficit from sales of bonds to the non-bank sector. Since the Budget, about A$200m (£100m) in bonds have already been bought.

The emerging strength of the bond market increases the likelihood that official interest rates have at least peaked, and raises the possibility that they could even be lowered slightly.

All this leaves the way open for some stimulatory measures next year in a "mini-Budget," similar to that brought down in May this year, as a run-up to a federal election by the start of 1981.

Power struggle in Indian states

By K. K. Sharma in New Delhi

THE JANATA (Secular) Ministry in the key northern State of Uttar Pradesh, which is backed by Mr. Charan Singh, the caretaker Prime Minister, has survived a confidence vote brought by the rival Janata Party.

But this is just the beginning of the destabilisation efforts under way in all the States. Under immediate threat is the coalition Ministry in Maharashtra, from which Congress members are withdrawing in a bid to bring it down.

Also in danger is the Devraj Urs Government in the southern State of Maharashtra, from which Congress members have defected to Mrs. Indira Gandhi's faction.

Now that politics at central level have moved into a new phase with the ordering of elections in December, all parties are trying to improve their position in the States. This is because the parties in power there will have considerable influence on the administrative machinery that conducts the elections.

The main tussle is in the States of the Hindi-speaking northern belt where the rival "national" parties and their factions have their power base. The toppling game is being played vigorously here.

Turks will not aid Iran Kurds

By Metin Munir in Ankara

TURKEY, which has the world's biggest Kurdish minority yesterday announced that it was not involved in the Kurdish uprising in neighbouring Iran.

A statement from Prime Minister Bulent Ecevit's office said: "Turkey has always taken, and will continue to take, care not to get involved either directly or indirectly in events which are Iran's domestic affairs."

Presumably referring to reports of unrest among Turkey's own Kurdish population—an estimated 5m to 8m of the country's total population of 45m—the statement said the Government was determined to protect Turkey's integrity, "in the face of all local and foreign plots."

General Kenan Evren, the Chief of Staff, and Mr. Fahri Koruturk, the President, have recently condemned any moves towards separatism. Reuter adds: Two Kurdish members of the Turkish Parliament called on the Government to change its policy towards Iran

The deputies threatened to withdraw their Parliamentary support for Prime Minister Ecevit, vital for his Government's survival, if he did not

Africa's anger over the failure of Arab aid

James Buxton and **David Lennon** report on dissatisfaction in black Africa over Arab promises of aid and the resulting reappraisal of relations with Israel.

A FEW WEEKS AGO the Israeli trade union federation, the Histadrut, announced it was resuming trade union ties with Zaire. It quoted an official from the central African state as saying the move was a step towards the resumption of diplomatic relations with Israel, which the Zairean Prime Minister had approved.

The announcement, which infuriated the more discreet Israeli Foreign Ministry, was a bombshell in the highly sensitive world of Afro-Arab relations. Before, during and after the 1973 Arab-Israel war one black African country after another broke diplomatic relations with Israel out of solidarity with the Arab cause. Today Israel has relations only with Malawi, Lesotho and Swaziland.

In government circles in Israel the possibility of Zaire or other black African states resuming diplomatic relations with the Jewish state is dismised as unrealistic. But it is an indication of deepening discontent between black Africa and the Arab countries, now rising again with this year's oil price increase. Israel maintains strong economic ties with several black African states and there are more Israelis in Africa today than before diplomatic links were cut.

At last month's Organisation of African Unity summit in Monrovia there was a concerted but unsuccessful move to put a motion on the agenda recommending the re-establishment of relations with Israel. The OAU refused to support a draft resolution condemning the Camp David accord and gave President Sadat of Egypt a standing ovation. The basic cause of black African discontent is dissatisfaction with Arab aid for black Africa.

The black African states expected the oil rich Arab countries which predominate in OPEC aid-giving to go a long way to compensate them for the fourfold increase in the oil price imposed by OPEC in 1973/1974. However the Arab states soon made clear that they had no intention of giving Africa more than a small amount of balance of payments assistance and would concentrate on aid tied strictly to projects.

A Special Arab Fund for Africa was set up and began disbursing money for balance of payments support in late 1974. But its total disbursements amounted to only $222m by the end of 1978 and the two countries receiving the largest sums, Tanzania and Ethiopia, each with $14.2m, found this covered only 4 and 8 per cent respectively of their oil bill over the 1974-76 period.

Another organisation, the OPEC Special Fund, largely financed by Arab countries, had handed out some $130m to both Arab and non-Arab Africa by the end of 1978 in balance of payments support.

Several new Arab project aid funds were set up after the 1973/74 oil crisis, including the Arab Bank for Economic Development in Africa (ABEDA) which gives aid only to black African states. This method of aid giving—also preferred by Western aid organisations—inevitably means slow disbursements because projects have to be approved and then begun before any money is handed out, and the problem is compounded when new aid institutions are only getting going.

According to OECD figures total bilateral aid from individual OPEC states to sub-Saharan African states was $401m in 1975, $455m in 1976 and $454m in 1977. But omitting constributions to three Arab League members, Sudan, Somalia and Mauritania, the amount received by the remaining 45 states was $71m in 1975 and $131m in 1976.

African states became disgruntled at what they considered the paucity of Arab aid disbursements to them set against average OPEC aid disbursements of $5.5bn a year from 1975 to 1977, most of which stayed in the Arab world.

This feeling boiled up at the Afro-Arab summit in Cairo in March 1977, and was only satisfied by a pledge by Saudi Arabia, Kuwait, the United Arab Emirates and Qatar to channel a total of $1.449bn in development aid to black Africa over the coming five years.

ABEDA's capital was boosted by $180m, and most of the remainder was to be channelled through the aid funds of Saudi Arabia, Kuwait and Abu Dhabi. Yet there has been only a small increase in funds committed by the bank between 1976 and 1978 (cumulatice commitments reached $282.6m by the end of last year while disbursements totalled $65.1m at that time).

The bank recently claimed that of the $1.412bn earmarked for development projects at Cairo, some $1.166bn — 82.5 per cent — had been committed to specific projects by June this year.

But this figure was apparently arrived at by adding together commitments of all OPEC aid organisations since March 1977, several of which were not covered by the Cairo pledge. The capital of the Saudi, Kuwaiti and Abu Dhabi development funds was not increased after the Cairo meeting so that suspicious African recipient states question whether these aid commitments would not have been made anyway, irrespective of the $1.449bn promise.

African states accept that the reason for the slow translation of commitments into disbursements is to a large extent their own fault for not presenting or implementing projects quickly enough (though some Arab funds are faster than others at paying up where the work has actually been done or purchases made). But they feel they should have had more direct compensation for the quadrupling of the oil price in 1973/74 and for the 60 per cent rise which has taken place this year, for which only one country, Iraq, has made public an offer of partial compensation. Hence the frustration and the renewed interest in relations with Israel.

*Israel does not have the financial resources of the oil rich Arab states but it does have considerable technical expertise useful to developing countries, which they do not. Its development assistance to black African countries officially ended with the break in diplomatic relations, but several states now pay for Israeli consultants in many fields on a commercial basis.

A number of Africans, said to be in the upper hundreds, are always on courses in Israel, some of them at the Histadrut's Afro-Asian Institute for Labour Studies and Co-operation. Israeli exports to black African states totalled $72m last year while imports were only $28m, and there are a number of joint ventures in African countries in construction, pharmaceuticals and electronics.

Among African countries most positive towards Israel are the Ivory Coast, Liberia, Ghana, the Central African Empire and of course Zaire. But though the threat of re-establishing diplomatic relations with Israel is theoretically potent no African government seems likely to implement it for the time being.

On a practical level African states realise the importance of the Arabs as oil suppliers and their influence on non-Arab oil suppliers, and they know that while Arab aid has not come up to expectations they would lose valuable aid commitments if they established diplomatic ties with Israel.

Israeli technical assistance is not indispensable: Arab aid schemes are usually co-financed by western aid agencies, who provide the technicians. Third world solidarity with OPEC has weakened and Afro-Arab relations are tense, but relations with Israel remain too frightening to contemplate seriously.

SENATOR CLAIMS BREAKTHROUGH ON SALT-II

Chances of Senate support improve

BY DAVID BUCHAN IN WASHINGTON

CHANCES FOR U.S. Senate approval of the SALT II arms pact appeared here to have improved considerably, after indications from Moscow that the Kremlin is willing to accept certain Senate reservations on the treaty and is ready to negotiate significant nuclear cuts in any SALT III arms talks.

These apparent assurances, made by Mr. Alexei Kosygin, the Soviet Prime Minister, and other officials, to a group of U.S. Senators in Moscow this week, were yesterday welcomed by Carter Administration officials.

They saw them as an eminently sensible Soviet switch in tactics to take account of strongly-worded criticism of the treaty voiced by conservative and liberal Senators.

Mr. Andrei Gromyko, Soviet Foreign Minister, had caused a stir even before the Senate debate on SALT began last month by declaring the Soviet Union would countenance no changes in the SALT II treaty, as it was signed by Presidents Jimmy Carter and Leonid Brezhnev in Vienna in mid-June.

That led some Senators, notably Mr. Howard Baker, the Republican leader, to tell the Soviet leadership to mind its own business, and warn that if the Senate could not change the treaty, then it might not ratify it.

Specifically, Senator Joseph Bider, leader of the latest visit to Moscow, said yesterday that from his talks with Mr. Kosygin and others, he thought the Soviet leadership was willing to "swallow" four Senate reservations to the treaty.

He told the Russians that the four likely reservations were:

1—No extension beyond 1981 of the proposed protocol limiting cruise missiles (in which the U.S. has a present advantage);

2—President Brezhnev's verbal commitment to limit production of the Soviet backfire bomber should be formally binding on the Soviet Union;

3—SALT II would not constrain existing arms collaboration between the U.S. and its Nato allies;

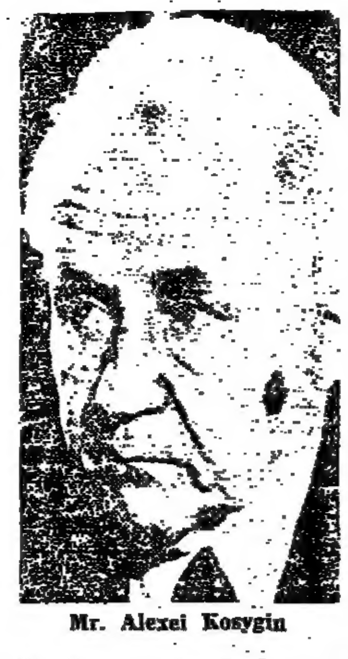
4—All statements and understandings tied to the treaty are an integral part of the SALT II pact.

Soviet officials are also reported to have told the group of six Senators this week that Moscow is willing seriously to discuss in SALT III negotiations more far-ranging cuts in the two superpowers' nuclear arsenals than were achieved in SALT II.

Such an assurance would go some way to answer objections, raised first by liberals but then supported by some conservatives in the senate, that nuclear arms control negotiations with the Soviet Union had proved a charade, merely ratifying the nuclear *status quo*.

The Carter Administration is certainly pleased at the mild and apparently compromising attitude taken by Soviet leaders in their talks this week with the Senators. The group appears to have come away with a better impression of Soviet intentions than previous delegations.

This is perhaps more surprising, because their visit coincided with the sharp diplomatic tug of war between *Washington* and Moscow over Lyudmilla Vlasova, the Soviet *ballerina, now returned to the* Soviet Union.



Mr. Alexei Kosygin

It is taken here as another sign that the Russians regard SALT II as too important to let other tensions with the U.S. affect its fate.

Storm brews over Pentagon nominee

By Alan Friedman

THE CARTER administration is facing a new storm, this time over the likely choice for a top Pentagon job. The man nominated by the Department of Defence as its Under-Secretary for Policy is Mr. Robert Komer, director of the controversial so-called Pacification Programme during the Vietnam War.

Mr. Komer is currently chief NATO adviser to Mr. Harold Brown, the Defence Secretary.

The Pentagon job, which has been vacant since March, is a loosely structured post, with responsibility for planning and co-ordination of all U.S. defence policy.

Nevertheless, it could be a significant position in the fight of the probable increases in U.S. defence spending which may result from the SALT treaty debate on Capitol Hill.

Several Senators are now demanding a rise in military expenditure as a quid pro quo for ratifying the SALT II treaty. Whoever serves as the Pentagon's Under Secretary for Policy will have a fair degree of influence over how this money is spent.

Mr. Komer is known in national security circles as a tough-minded defence expert. It is his past activities in Vietnam which could lead to vociferous opposition from some Senate liberals to his appointment.

Under the U.S. system, any major appointment by the executive branch must also be approved by the Senate.

During the Johnson Administration, Mr. Komer was the leader of the "Pacification Programme," which was designed as a combined military and civilian effort to gain the support of the South Vietnamese people.

Car workers name GM as target

BY JOHN WYLES IN NEW YORK

GENERAL MOTORS Corporation, the largest U.S. industrial company, yesterday learned it will face a strike from midnight on September 14 by 460,000 members of the United Auto Workers' Union, unless agreement is reached on a new three-year pay and conditions contract.

The selection of GM as the union's possible strike target comes as no surprise, since Ford Motor Company drew the short straw in 1976, and Chrysler Corporation has been ruled out because of its financial difficulties.

Yesterday's decision by the union's executive board will result in negotiations at Ford and Chrysler just ticking over, while the union concentrates on trying to negotiate an agreement at GM which could then be applied by the other two companies.

Earlier this week, Ford and GM tabled their first offers on pay and pensions, which met a predictable rejection from union negotiators. At this stage of the bargaining, there is still considerable ritual attached to motor industry negotiations, and the fact that the union's language was less condemnatory this week than on many past occasions has raised some hopes that an agreement may still be reached without a stoppage.

Boost for Alaska gas pipeline

BY DAVID LASCELLES IN NEW YORK

THE plans for a $14bn pipeline to carry Alaskan natural gas to the U.S. have taken a further step forward, with a favourable ruling from the Federal Energy Regulatory Commission (FERC) on how costs should be determined.

The three-man commission voted unanimously on Wednesday to allow the sponsors to base their rate of return on higher costs than before.

Previously, the commission had approved a formula whereby the builders would receive a higher rate of return on the pipeline the lower they kept their costs. However, the long delays in planning and approving the pipeline have pushed up its costs enormously—by about $1bn a year. The commission's *new vote takes this into account*, and permits the pipeline builders to use higher cost estimates in calculating their rate of return.

The commission also voted to broaden the definition of costs to include certain indirect items, such as expenses incurred in conforming with Government regulations.

Northwest Energy, the pipeline consortium leader, welcomed the new ruling, and indicated that it would ease the *task of raising private finance* for the venture.

The pipeline is to be largely privately financed, although the Alaska state legislature has voted $1bn for it.

Air fares row hits Canadians

BY OUR NEW YORK STAFF

THOUSANDS of Canadian tourists who had leapt at an autumn opportunity to buy heavily discounted air fares from their national airline have *had their hopes of cheap holidays* in the U.S. shattered by a simmering aviation row between the U.S. and Canada.

Air Canada has so far sold about 35,000 discounted tickets for flights into the U.S. between October 5 and November 23, but it needed U.S. Civil Aeronautics *Board permission before it could* actually operate the flights. This has now been refused, more in sorrow than anger, by the CAB, because the Canadian Transport Commission is refusing to allow *U.S. airlines* to operate many of their own discount fare schemes on routes between the U.S. and Canada.

The CAB's decision has brought Air Canada under fire from some of its would-be passengers for selling the tickets before receiving official sanction for the new fares.

This is not an uncommon practice, but the Canadian national airline might have had some reason for expecting *trouble from the CAB. Similar* discount fares it offered to the U.S. in the spring were temporarily suspended by the CAB, which finally authorised them because so many tickets had been sold.

But since then there has been no change of attitude by the Canadian aviation authorities, who will not sanction dis*count fares unless tickets are* purchased 30 days in advance and passengers spend a minimum of seven days at their destination. U.S. discount fares *have now gone far beyond this.* They are usually available up to seven days before departure, and lay down a minimum stay of *only three days*.

Air Canada's offering on flights to the U.S. were just as flexible and offered price cuts ranging from 46 per cent to 66 per cent.

UNTAPPED RESOURCES IN LATIN AMERICA

Venezuela backs alternative energy

BY KIM FUAD IN CARACAS

VENEZUELA is calling for U.S. co-operation in helping Latin America to develop its untapped energy resources.

The idea is that oil now imported by Latin America would be freed for the U.S. and other industrialised oil-consuming countries.

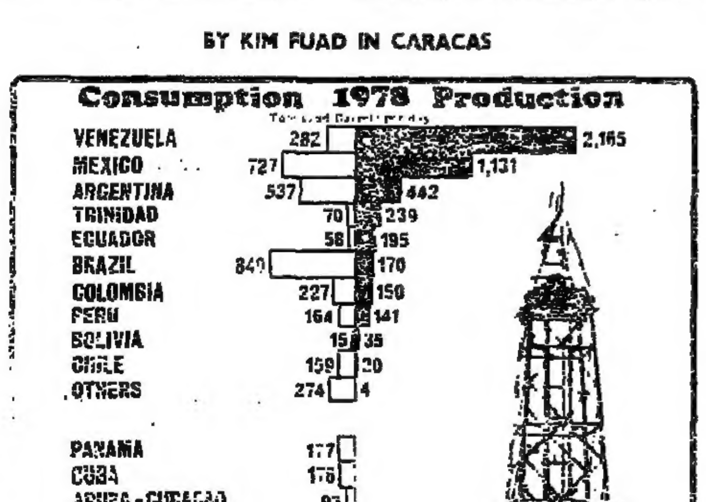
The proposal, involving some form of government-to-government agreements with the U.S. on [illegible] technology, and [illegible] has been informally discussed with U.S. and Latin American energy officials.

Dr. Humberto Calderon Berti, the Venezuelan Energy Minister, said in a recent interview: "The [illegible] resources exist. All we have to do is develop them."

[illegible] that besides oil and natural gas, many Latin American countries have large hydroelectric and geothermal potential, he added: "Any move [illegible] from conventional energy such as hydrocarbons toward alternate sources, frees additional oil for major consumers.

"Any country that becomes an oil producer can, in the first place, solve its own consumption problems and eliminate its imports. If it becomes a major producer and net exporter, the obvious beneficiaries would be [illegible] oil importers."

Only five of 21 Latin American countries—Venezuela, Mexico, Ecuador, Trinidad and Bolivia — are currently self-sufficient in oil while the rest had a 1.2m b/d deficit in 1978 which they covered through imports. Venezuela, which produced 2.2m b/d compared to 2.5m b/d for the rest of Latin America, was the region's largest source of imported oil providing 45 per cent of the total.



The main political obstacle to implementing the proposed regional energy development plan, according to Dr. Calderon, is the need for Government support due to traditional suspicion of international oil companies. He said Latin American countries have developed a defence mechanism that has led some of them to nationalise their oil before they have discovered it because of a subconscious fear that foreigners are going to plunder their resources.

Government involvement is needed to establish mechanisms for co-operation, he contended, because "the energy problem is no longer economic, to be handled by the private oil companies, but has rather become a strategic problem of national security." U.S. national interests in securing oil supplies must have priority over the commercial interests of U.S. corporations, he said.

While many countries had commercial oil potential, they lacked the capital and capacity to develop it, he said. On the other hand, there are countries with large technical and financing capacities but only slight and risky possibilities of finding oil within their frontiers.

"This is a contradiction that *goes far beyond the specific* interests of a group of (oil) companies and must be viewed in a *much larger context*," he added.

A key vehicle for implementing a regional energy development plan is the Latin American Energy Organisation (OLADE) which groups most of the region's consumers and producers, Dr. Calderon said. Venezuela has been a major force in the organisation and has also acted as a bridge between it and OPEC.

The OLADE-OPEC link is closely related to Dr. Calderon's efforts to increase OPEC aid to non-oil developing countries. He said that top priority in OPEC aid programmes should be *given to energy development*: "A paper mill in an Asian country is important and so is the fishing industry in Africa, but it is more important for *OPEC to contribute* and show it is really interested in helping the developing countries develop alternate energy sources, so as to lessen their dependence on imported oil."

Venezuela is expected to push strongly for OPEC aid for energy development among the non-oil developing countries over the next three months. Dr. Calderon has recommended an informal meeting of OPEC members to consider the findings of OPEC's long-range strategy committee within the next two months.

This would be a prelude to the December 17 OPEC conference in Caracas when the organisation will approve basic OPEC strategy for 1980, and beyond, towards the developing and industrialised countries, international oil companies and non-OPEC exporters such as Mexico and the Soviet Union.

Oil boosts UK exports to West Germany

By Jonathan Carr in Bonn

BRITISH EXPORTS have gained a bigger share of the West German market in the first half of this year—and the UK is now Germany's *fourth biggest supplier* of crude oil.

Federal statistical office figures show that in the first half year the value of imports from Britain increased by 30 per cent to DM 7.5bn (£1.8bn) compared with the same period of 1978.

Britain therefore supplied 5.4 per cent of German imports compared with 4.8 per cent in the first half of 1978. Even excluding crude oil, imports from Britain were up by 21.8 per cent to DM 6.3bn accounting for 5 per cent of German imports compared with 4.6 per cent last year.

West Germany's overall imports from Britain this year have, in fact, been growing faster than have those from any other Western European nation. But German exports to Britain grew by 25.5 per cent to DM 10.3bn so that a marked trade surplus in Germany's favour continues to exist.

German crude oil imports from Britain in the first half year were almost double those of January-June 1978, with a *total value of DM 1.2bn*.

This means that Britain supplies 9.7 per cent of German crude oil imports compared with 6.4 per cent last year.

Britain thus follows Saudi Arabia, Libya and Nigeria as Germany's fourth main supplier (in front of Algeria and Iran).

German imports of motor fuels and oil from Britain also rose sharply—by 156 per cent to DM 270m.

India's engineering sales fall

By K. K. Sharma in New Delhi

EXPORTS of India's engineering goods have experienced an unexpected first-quarter decline, falling by 7 per cent through the April-June fiscal period compared with the same period last year.

Total engineering exports for the quarter were Rs 1.4bn (£82.3m) compared with Rs 1.5bn in the previous first quarter, according to Mr. V. P. Punj, the chairman of the Engineering Export Promotion Council.

Mr. Punj said yesterday that there had also been a sharp decline in orders themselves. *Through the first quarter*, the value of new orders had declined by Rs 600m to Rs 1.1bn.

This made the overall position "extremely bad" and he was doubtful if the current year's target of Rs 8.5bn would be achieved. The main reason, he said, was the hesitation on *the part of Indian exporters to* enter into fresh commitments when they were finding it difficult to carry out current orders.

***Mr. Punj blamed a variety* of factors for the present position including shortage of primary raw materials such as steel and pig iron and the recent curbs on credit.**

On long-term plans, Mr. Punj was still confident of achieving the Council's target of Rs 930bn by the end of the next decade based on an annual growth rate of 25 per cent. But remedial measures were urgently required.

Japan in Iran chemicals talks

TOKYO—Japan plans to send a mission to Iran next week to discuss the joint petrochemical complex at Bandar Shapur, Mr. Shigeru Koino, Vice-Minister of International Trade and Industry.

The Japanese Government team, headed by Mr. Naohino Amaya, Vice-Minister of Trade and Industry, will discuss both the prospects for *resumption of construction* and the financial problems, Ministry officials said.

The project, jointly undertaken by Mitsui and Co. and the National Petrochemical Corporation of Iran, is now expected to cost $3.5bn against the originally estimated $2.5bn and is 85 per cent complete.

A Mitsui spokesman said it has won a commitment from the Iranian Government to appropriate about $190m for additional investment in the project while Mitsui is asking the Japanese Government of invest $210m in the complex.

Reuter

Train deal for Vickers

A £3m contract to fit out a new railway workshop in Venezuela has been won by Vickers Design and Projects. The contract has been placed by CA Metro of Caracas, and calls for the design, supply, installation and commissioning of the heavy mechanical equipment required for the maintenance of rolling stock. Vickers Design and Projects also is currently completing the final stages of Kowloon Bay depot for the Hong Kong Mass Transit Railway Corporation in preparation for the opening of the railway in October.

U.S. expects record surplus with Communist countries

BY DAVID BUCHAN IN WASHINGTON

THE U.S. recorded a $2bn (£888m) surplus on trade with Communist countries in the first six months of this year, up 23 per cent from the first half of 1978, the Commerce Department has reported.

In all, the U.S. sold its communist trading partners goods and services worth $2.99bn between January and June, and bought imports worth $991m from them. This year's surplus on trade seems certain to exceed the $2.65bn in all for last year.

In contrast, over the same first half of 1979 the global trade shortfall of the U.S. was $11.7bn, compared to $18.3bn in the same period of 1978.

The big gain was the surge in exports to China that followed President Carter's decision at the turn of the year to establish diplomatic relations with Peking. These rose to $704m in the first six months, not far short of the $818m in goods that the U.S. sold China in the whole of 1978.

The Carter Administration has promised to give China some $2bn in credit over the next five years. This will undoubtedly help the U.S. maintain the balance of its trade with China to its advantage.

However, the credit arrangement still awaits resolution of certain problems between the U.S. Export-Import Bank and the Peking Government, and also approval by the U.S. Congress of the new China-U.S. trade agreement.

In the latter half of this year, both China and the Soviet Union are expected to buy large quantities of U.S. grain.

In particular, this is expected to reverse the first half year trend in U.S. exports to the Soviet Union, which fell 4.3 per cent.

However, U.S. exports of manufactured goods, though small in relation to grain shipments, rose in the first six months of this year.

Commerce Department figures show that China is coming close to displacing the *Soviet Union as the U.S.* most important single Communist trading partner, if imports are included.

Imports from China in the first six months rose nearly 50 per cent to $246m, marginally overtaking the stagnant level of imports from Russia in the same period.

This trend can be expected to continue, because the U.S. Administration has promised China most favoured nation tariff treatment *for its imports* into the U.S., making them more price competitive in the American market, in the new trade accord between the two countries.

By contrast, there is little prospect of Moscow getting MFN treatment from the U.S., because so far the Soviet authorities, unlike the Chinese, have refused to give Washington firm assurances they will allow free emigration for their citizens—a political pre-condi*tion that* the U.S. Congress has attached to tariff concessions.

Sasol enters U.S. fuel market

BY QUENTIN PEEL IN JOHANNESBURG

SASOL, *South Africa's state*-owned oil-from-coal producer, has signed an agreement with Fluor, the U.S. construction company, to jointly market and *licence Sasol's synthetic fuel* technology in the U.S., it was announced yesterday.

Under the terms of the agreement Fluor, which is the *managing contractor* for Sasol's latest plants in South Africa, and Sasol, will jointly perform overall consulting services and feasibility studies and prepare basic design packages for potential users. They will also offer technical services during the engineering, construction and initial operation of any such facilities.

The deal is aimed at taking advantage of the programme for synthetic fuel production in the U.S. of 1m barrels a day by 1990, as announced by President Carter as part of his energy package. Both companies are confident that the Sasol process, developed from the original West German Fischer-Tropsch process, will become part of the programme, as the only oil-from-coal technology currently in commercial use.

"If the Carter programme is implemented, we know we will be there." Mr. Joe *Stegmann, managing director* of Sasol, said. He confirmed that no decision had yet been taken by any U.S. concern to build a *plant* with the Sasol *technology*, and feasibility studies on the application of the technology to U.S. con*ditions* would have to be carried out first. The Texas Eastern corporation, a Houston-based oil company, had requested such a study.

Sasol has a share in all the technology used in its operations in South Africa, although it was originally licensed, which includes Sasol-Lurgi gasifiers, the Sasol-Lurgi-Linde rectisol process, and the Sasol synthol process, a process originally bought from Kellogg in the U.S.

The agreement was announced at the end of a three-day visit to the Sasol operations by a team of U.S. technical journalists, sponsored by Fluor. The Los Angeles-based managing contractor for the R2.4bn (£1.3bn) Sasol 2 and R3.3bn Sasol 3 plants has been closely involved in design of the greatly expanded production process.

Sasol has consistently refused to put a cost on the fuel it produces, although it admits that it enjoys a subsidy of nearly 4 cents a litre (18 U.S. cents a U.S. gallon) over imported fuel.

Informed estimates put the equivalent oil price in South Africa at between $22 and $25 a barrel, but in the U.S., where coal and labour costs would be greater, environmental control stricter, and no subsidies would be available, the equivalent price might be between $30 and $40 a barrel.

The other major stumbling block would be political objections within the U.S. to the licensing of South African technology. There is understood to be a clear division on the issue between the State Department, which opposes any such deal, and the Department of Energy, which would favour it.

Sasol officials are not particularly optimistic about overcoming such objections, as well as the U.S. environmental controls, although they insist the process is relatively clean. They say that any licensing fees would be a welcome sideline, but that they are not necessary to Sasol profitability. The state concern is in the throes of a public share issue, to give members of the public a stake in the operation, and raise R525m on the open market.

Swiss machine orders increase

BY JOHN WICKS IN ZURICH

NEW ORDERS placed with the Swiss machinery manufacturing industry amounted to SwFr 6.81bn (£1.8bn) in the first half of this year, an increase of 2.7 per cent over the corresponding period of last year and some 6 per cent up on the first-half figure for 1977.

More than two-thirds of the total was accounted for by foreign contracts in the January-June period of 1979, with a value of SwFr 4.4bn.

Speaking at a reception of the Swiss Association of Machinery Manufacturers in Zurich, Mr. Pierre Bourgeaud, the association chairman, said that the correction of the Swiss franc exchange rate in the late autumn of 1978 had gone far to restore the competitive ability of numerous sectors of the industry.

However, he cautioned that the currency crisis was still having its effects and "there were still no grounds for over-optimistic economic forecasts."

The association stated that on the basis of second-quarter business, overall order value was stagnating this year. The total value of orders on hand was SwFr 12.6bn at mid-year, or 3.7 per cent below the level a year earlier.

This was relatively low compared with the range of orderbook values between SwFr 12.2bn and SwFr 13.5bn recorded since 1975.

"Actual turnover in the Swiss industry is virtually unchanged this year, with sales of 200 member undertakings of the Association having gone up by only 0.5 per cent to SwFr 6.28bn in the first half.

The Swiss manufacturers expect a slight increase in order volume in the coming months, but no noticeable *improvement* in profits. A rise in demand, according to Mr. Bourgeaud, is likely to be so gradual as not to permit noticeable price adjustments—except in such sectors as textile machinery and machine tools.

Official foreign exchange figures show rising exports of machinery by Switzerland in the first seven months of 1979.

While deliveries of non-electric machines rose over the period by only 1.5 per cent to SwFr 4.8bn, those of electrical machinery and apparatus improved by 7 per cent to SwFr 2.75bn and of optical and precision equipment by 9.8 per cent to SwFr 843.5m. Declines on individual markets, such as the 74 per cent drop in sales to Iran in the first half, were more than offset by increases in exports to other markets.

According to Dr. Martin Erb, director of the Association, competitive pressure from abroad has increased on the Swiss market, so that Swiss machine-builders recorded a fall in domestic orders. For the January-July period Government statistics show a 4.6 per cent rise in machinery imports to a value of SwFr 4bn.

KARAMANLIS' SOVIET VISIT

Industry pacts mooted

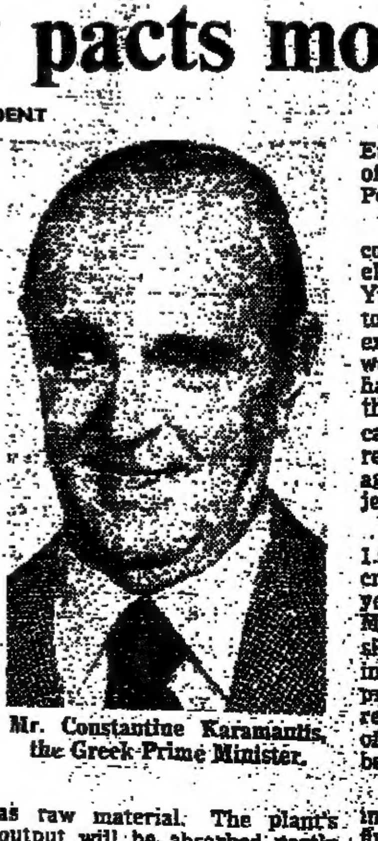
BY OUR ATHENS CORRESPONDENT

AGREEMENTS for the establishment in Greece of an alumina plant and the purchase by Greece *of electric power* from the Soviet Union are expected to be signed during the forthcoming official visit to Moscow by Mr. Constantine *Karamanlis, the Greek Prime* Minister.

The visit, taking place from October 1-5, will be the first by a Greek Premier to post-tsarist *Russia. Mr. Vassili Groubiakov*, director of political affairs at the Soviet Foreign Ministry, is now in Athens to draw up, together with Greek Foreign Ministry officials, the final draft of the political document to be signed during Mr. Karamanlis' visit.

Greek officials have been careful to point out that the Moscow trip does not represent any exploration of a fresh alignment and have stressed the Greek Premier's credo that Greece remains firmly anchored to the West.

According to Mr. Constantine Mitsotakis, the Minister of Co-ordination, negotiations concerning the alumina plant, which will have an annual production of 400,000 tons, are well advanced. The Soviet Union will provide the equipment and technical know-how for the plant which will use Greek bauxite as raw material. The plant's output will be absorbed partly by the Soviet Union and partly by Bulgaria.



Mr. Constantine Karamanlis, the Greek Prime Minister.

The Minister said discussions were currently being held on the details of the project under which the Soviet Union is to supply Greece with electricity. The Soviet Under-Secretary for Energy is expected here soon of the state-controlled Public Power Corporation.

Mr. Mitsotakis said Greece could be supplied with Soviet electric power through the Yugoslav grid, but the quantity to be supplied would not exceed 400bn Kwh. Efforts were, therefore, being made to have the power routed through the Bulgarian grid, in which case the power quantity may reach 2,000bn Kwh annually. If agreement is reached, the project will be completed in 1983.

The Soviet Union supplies 1.5bn tons of Greece's annual crude oil requirements, this year amounting to 9.6m tons. Mr. Mitsotakis said the Greek side wants this amount increased, and the Soviets have promised to consider the Greek request within the framework of their next five-year plan, beginning in 1981.

Also under consideration for inclusion in the next Soviet five-year plan is the extension of the Russian natural gas pipe network, now *extending from* Bulgaria, to Salonica in Northern Greece.

Mr. Mitsotakis, a proponent of the project, which he says will help supplement crude oil imports, estimates its cost at $1bn.

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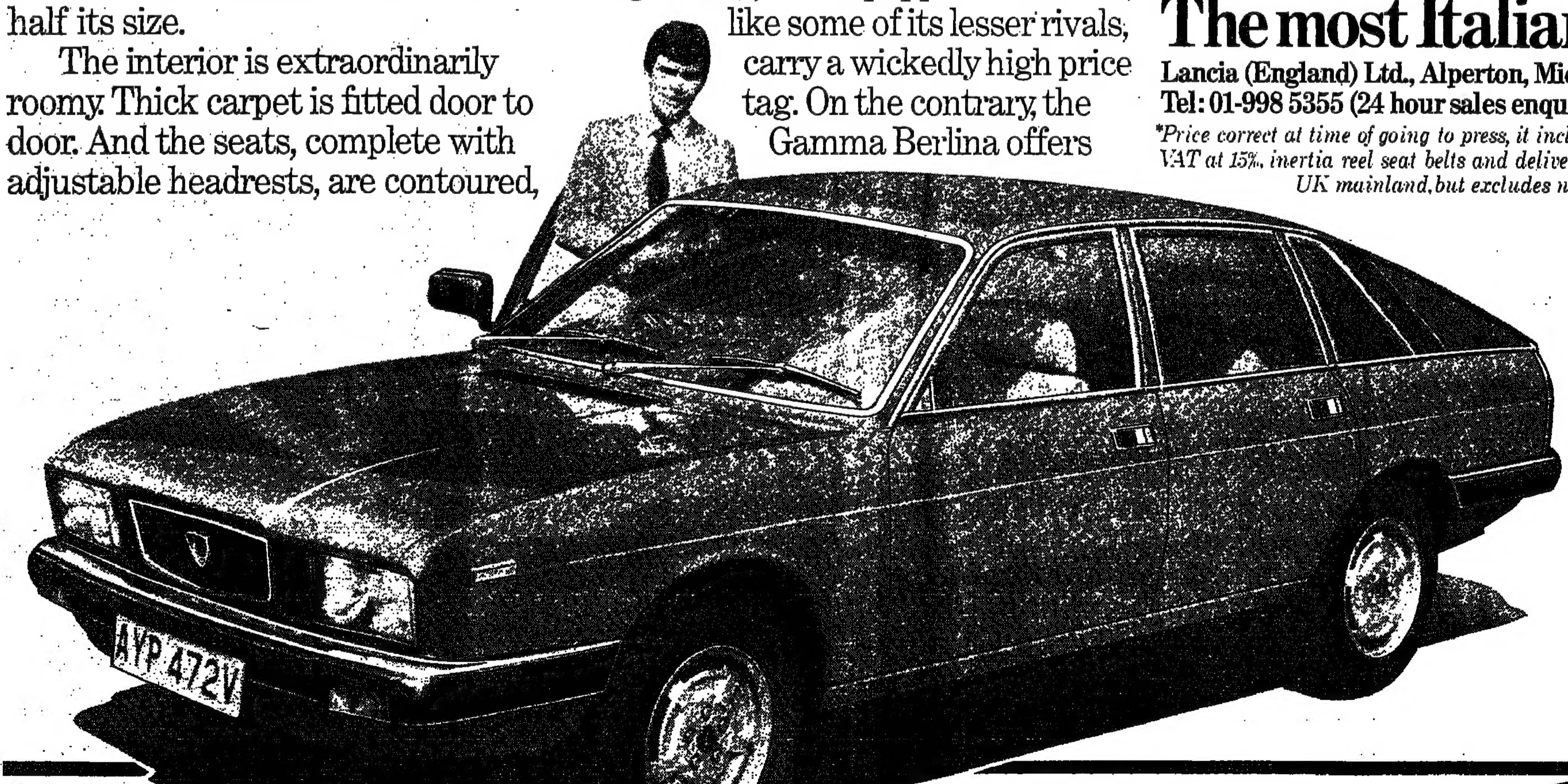


The Lancia Gamma Berlina. £7,949.66*

Industry still under pressure

By Peter Riddell, Economics Correspondent

THE FINANCIAL position of industry appears to have remained under pressure in the early summer, judging by official figures published this morning.

The latest issue of Trade and Industry magazine contains estimates of expenditure by manufacturing, distributive and service industries on fixed capital investment and on stocks at current prices.

Estimates of changes in volume terms at constant 1975 prices were published a week ago but the latest figures are a better guide to the financial calls on companies' cash flow.

The increase in the book value of manufacturers' and distributors' stocks was £1.98bn between the end of March and the end of June compared with an increase of $1.86bn in the previous three months and a rise of £4.4bn over 1978. This indicates the extra money needed to finance the extra holdings of stocks.

Production loss

Fixed capital spending by these sectors was £3.52bn at current prices in the April-to-June quarter compared with £3.34bn in the previous three months.

Although expenditure rose between the quarters, profits may also have recovered somewhat from the low level of the first quarter when margins were cut because of a loss of production caused by the industrial disputes and bad weather.

The result is that industry's financial deficit — the amount raised from the rest of the economy—may have been lower than the exceptionally high first quarter figure. But the deficit is still likely to have been higher than last year and to confirm the underlying deterioration in the financial position of industry, as reflected in the high level of bank borrowing.

City stockbrokers Phillips and Drew have, for example, projected a rise in industry's financial deficit from £2bn to £3.6bn between 1978 and 1979.

The new figures confirm the increasing use of leasing or rental arrangements rather than purchase.

Estate agents 'need competition'

BY MICHAEL CASSELL

THERE IS scope for far greater competition among estate agents, in spite of the recent emergence of more commercially aggressive firms, says a Price Commission report published yesterday.

It estimated that there were about 6,600 estate agencies in England and Wales, acting on behalf of three-quarters of all house buyers and sellers, and the profession had become more commercial in the last ten years.

But there was no evidence of any increase in "sharp practices" and the commission welcomed the profession's more competitive approach.

It claimed that some "undesirable" practices remained, however, and felt that agents could do more to tell the public of the services they offered and the terms involved.

Mrs. Sally Oppenheimer, Minister for Consumer Affairs, said yesterday that the Estate Agents Act, which has become law since the Price Commission investigation began, should help to ensure that agents took more notice of their customers' interests.

The Price Commission emphasised that a Monopolies Commission report in 1969 had led to the profession's system of scale charges bring scrapped, and said it expected price competition to increase. But most areas still had a fee norm and the rules of some agents' associations inhibit competition.

Yesterday's report confirms that a gradual change in the level of competition has, however, been made and says that the majority of customers were charged a fee which ranged from under 1 per cent to more than 3 per cent of selling price. The present fee scale system is described as "the most practical method of charging."

However, there was still no regulation of numbers or estate agents or of their qualifications and initial capital requirements remained modest.

The commission estimated that about 20 per cent of agents now in business had started in the last five years, but there was a big difference between starting a firm and becoming an established agency with a significant market share.

A consumer survey for the commission's report showed that the majority of estate agents' customers were likely to use agents again.

Over 70 per cent of sellers said they were satisfied with the overall service received, although only 45 per cent were happy when it came to value for money obtained.

The commission pointed out that where *a sole agent* was involved with a transaction, there was evidence of undesirable practices in connection with the terms of business offered by certain agents.

It was surprised to discover *that a "significant proportion* of sole agency instructions gave the agent concerned sole selling rights, irrespective of who sold the property.

Such an agreement could mean a fee had to be paid even if the sale was brought about exclusively by the vendor's own efforts.

Charges, Cost and Margins of Estate Agents: Price Commission Examination report No. 18; SO: £4

Warning on toy industry trends

BY PAUL TAYLOR

CONSUMERS could face a decline in the number of toy shops and reduced product choice because of fierce competition among retailers and certain discounting practices, the Price Commission warned in a report published yesterday.

About £600m was spent on toys and games last year.

The commission expressed concern over changes in the pattern of retailing, which could lead to the continued growth of multiple stores, large retailers and mail-order companies at the expense of the smaller specialist shops. It was also critical of discounting practices within the industry.

Although the commission says consumers may benefit from discounts negotiated with manufacturers, it suggests that some of the large non-specialist retailers may not be passing on the full benefits of these discounts and manufacturers profit margins and retail outlets may be squeezed.

The reports only recommendation that the Monopolies and Mergers Commission should look at discounting within the industry as part of its current general investigation of discounts to retailers — was immediately accepted by Mrs. Sally Oppenheim, the Consumer Affairs Minister.

The investigation was ordered last December because of concern over rising Christmas toy retail prices. In spite of its criticisms, the commission admits that competition is strong within the industry

While multiple retailers have achieved over 50 per cent turnover growth in the last three years mail order companies have increased sales by 35 per cent during the same period and specialist retailers have only achieved 15 per cent growth.

On the structure of the industry the commission says there is "strong competition" in all areas. While entry is easy—with no significant barriers—the commission notes that the risk of failure appears to be high.

Although the profitability of manufacturers has been "adequate," small companies have done less well than the large manufacturers. The growth of multiple retailers has also squeezed wholesaling, which is now "a declining activity in the toy trade."

Prices for a particular toy or game vary considerably, sometimes by more than 50 per cent

Prices, Cost and Margins in the Manufacture and Distribution of Children's Toys and Games; Sationery Office £1.50.

Accountants form pressure group

FINANCIAL TIMES REPORTER

A NEW accounting pressure group has been established to press for improvements in the *accounting standards of British* quoted companies.

The Accounts Users Group has 15 founder members, all accountants working in finance or investment in the City.

The group wants to see "more awareness of the needs of users of accounts" by those concerned with setting accounting standards. "The overriding aim of accounting standards should be the achievement of comparability from company to company," Mr. Peter Thompson, a partner in brokers de Zoete and Bevan, and chairman of the group, said.

Overall, six members of the new group come from stockbroking firms, four working in *banking, and four come from* institutional investors. Members of the group will be expressing their views as individuals. They will meet regularly and comment on accounting matters of public interest.

New Town property firms named

By Andrew Taylor

THE BULK of the English New Towns' £140m property disposal programme will be handled by two estate agents—Hillier Parker May and Rowden and Jones Lang Wootton.

They will hadle the £100m of sales requested this month by Mr. Michael Heseltine, Environment Secretary, and will also have the opportunity to share in the £40m of disposals announced earlier this year.

The agents have been appointed to act for the 21 corporations by the New Towns *Association. They* were chosen from a list of about 15 leading estate agents and surveyors interviewed by the association recently.

The contract for representing the New Towns—in the largest programme of property disposals in the public sector—had been widely sought.

Mr. Michael Digby, a senior partner at Hillier Parker said: "Although the job is financially rewarding, we will have to work for our money. The disposal programme has to be completed by March 31, 1980, but I am optimistic that we will meet this deadline."

"I am sure the market can easily digest this level of sales. There will be some very good quality properties available."

Last year the pension funds, insurance companies and other institutional investors spent £1.3bn on property.

Mr. Bob Hinde, partner at Jones Lang Wootton, said: "We would hope to arrange the sale in lots of different sizes to suie every kind of investor.

"This is a very prestigious appointment but will absorb a lot of manpower if we are to complete by *the March* deadline."

New Harvester credit company

By Hazel Duffy,
Industrial Correspondent

THE UK subsidiary of International Harvester has formed a separate credit company to offer improved financing facilities to its dealers.

The scheme starts tomorrow for IH dealers in agricultural *and construction equipment.* It will be extended to Seddon Atkinson (part of IH) dealers early next year.

The new company, International Harvester Credit Corporation of Great Britain, has an authorised capital of £10m. The initial paid-up capital is £6m, against which the company expects to borrow about £15m from British and American banks supporting the scheme. Barclays will act as principal bankers.

Thatcher to visit North West

THE PRIME MINISTER is to visit several factories in Lancashire and Greater Manchester today.

Mrs. Thatcher will open the *Ward and Goldstone cable*-making factory in Skelmersdale and tour round a microcircuit plant in Pendlebury and Carrington Viyella's spinning unit in Atherton. She will also meet officials of the Departments of Environment and Transport at the North West Regional Office and be shown a low energy housing project in Salford.

The first Boeing 737 short-range airliner out of 28 on order for British airways (including nine for British Airtours), nears completion on the production line at Renton, Seattle. The aircraft is due for flight tests in a few weeks' time. Deliveries to British airways start in January and will continue into 1981. The 737s are designed to replace ageing Trident Ones and Twos in British airways' fleet, and ageing 707s in the British Airtours fleet.

Register of company names may be axed

BY CHRISTINE MOIR

THE GOVERNMENT'S cost-cutting axe is poised over Companies House. Proposals to be put forward to the Department of Trade involve abolishing a number of services provided by the Companies Registration Office, and major users fear they could make research into company affairs more difficult.

It is proposed to abolish the registry of company names and waive the Registrar of Companies' veto over misleading and undesirable names. At present companies must register their names and background with Companies House, and the Registrar has the power to prevent them using names which are identical to or liable tot be confused with those of existing companies.

Under the proposals, searches at Companies House would take at least 24 hours, instead of the present almost instantaneous service.

There is also a suggestion that business documents should no longer have to include directors' names.

Major users of Companies *House, who formed a pressure* group some years ago, will be considering the proposals at *their next meeting on September* 18. They are expected to oppose them with some fervour.

The proposals are mentioned in a letter from the Registrar of Companies to the pressure group.

Dun and Bradstreet, a major credit checking organisation, said yesterday that while it applauded the Government's desire to save money, this should not be done in essential services.

If there were no register of company names, initial research into a company would be severely hampered, and abolishing the veto on names would leave the field wide open for fraudsters to pass themselves off as reputable companies.

In 1976 the Labour Government proposed to abolish the registry, but was dissuaded. Since then demand on the registry has continued to grow. Last year new incorporations and changes of name increased by 15 per cent.

The problem is that the service continues to lose money — over £½m last year, according to the annual report, "Companies in 1978," published yesterday by *the Department of Trade.*

Companies in 1978. Department of Trade. HMSO, £2.50.

State eases controls on ferrous scrap exports

BY ROY HODSON

THE GOVERNMENT yesterday responded to pressure from the steel industry by freeing the export of ferrous scrap to third countries for a six-month trial period.

"The Government's preferred policy, in accordance with its intention to minimise intervention in the operation of the *market,* is to move as quickly as practicable towards the total abolition of the control," said a Department of Industry statement.

During the trial licences will be issued freely for exports of the non-alloy ferrous scrap which constitutes the bulk of the *business to third countries* outside the Common Market. The export quota is 60,000 tonnes a month.

Licensing arrangements for exports of high-grade alloy ferrous scrap are under review but will not change for the present.

The Government intends to maintain licensing as a surveillance measure for six months after which the continuing need for licensing will be reviewed. The Department of Trade will continue to handle licence applications for all grades of ferrous scrap to non-Community countries during the trial.

The steelmakers (through British Steel Corporation and the British Independent Steel Producers' Association), the Council of Ironfoundry Associations, and the British Scrap Federation, put an agreed scheme before Sir Keith Joseph, Industry Secretary, which would have transferred management of scrap export controls to the British Scrap Federation secretariat.

Under that scheme the steel mills and the scrap merchants would have been able to exercise close joint control on the levels of scrap exports so that a healthy export trade could be maintained without starving British steel mills of scrap supplies.

The Government has not felt able to hand over its control of scrap exports at once. But the tone of the Department of Industry compromise arrange*ments suggests that the in*dustry scheme could be adopted in the long run.

Pending the outcome of the promised Government review on the future of export controls on ferrous scrap the Government wants to maintain licensing surveillance because similar controls exist in the other Community countries.

Courtaulds plans mill closures

BY RHYS DAVID, TEXTILES CORRESPONDENT

COURTAULDS, the textile group, is planning to close three mills in the North-West of England as part of a switch from the ring-spinning method of cotton yarn production to the *open-end or rotor system.*

The mills—Ray at Stalybridge, Eagle at Rochdale and and Coppull at Chorley—employ about 700 people but Courtaulds said yesterday it hoped to be able to absorb a large proportion in other mills which are being expanded or which are under-staffed. It warned, however, that some redundancies are inevitable.

The company, already one of the biggest users of open-end equipment in Europe, is planning to open a new open-end plant at its Briar mill in Shaw, Greater Manchester, next month, and has plans to double its size next year. Another open-end plant, *Woodend, again in Shaw, is to* be extended by 40 per cent next year. The company also plans to double the size of its Greenhalgh and Shaw man-made fibre yarn plant in Bolton.

The plants to be closed all make coarse counts of yarn which can be made much more economically on open-end equipment. Under this system, first developed in Eastern Europe about 10 years ago, cotton is fed into rotors spinning at speeds in excess of 40,000 revolutions per minute and is then deposited by centrifugal force around the edge of the rotor and drawn out in yarn form. The system eliminates several processing *stages and requires much lower* manning levels.

Courtaulds produces about 20 per cent of its yarn from open-end equipment and this proportion will rise to about 25 per cent next year when the changes have been implemented.

The company said *yesterday* that the three mills had become increasingly uneconomic as a result of the rise in sterling and the consequent increases in imports of yarn, cloth and garments into the UK market.

Exports—20 per cent of Courtaulds' cotton-type yarn output last year and 32 per cent of UK exports of this product—had also been made much more difficult. By concentrating more of the company's production of coarse yarns in mills equipped with open-end spinning, the group will be better able to compete against imports from the Far East, India, Brazil and Turkey.

Consultations will take place *with the unions* and there is likely then to be a phased rundown of the mills. Output of yarn by the group is likely to remain at about present levels after the new equipment has been commissioned.

Power project worth £100m

BY MICHAEL CASSELL

BRITISH *civil engineers are to* carry out about £100m worth of construction work on Sri Lanka dam and power station project.

The Overseas Development Administration, formerly the Ministry of Overseas Development, has announced its approval of a £100m aid grant to meet the major partof the cost of the scheme at Victoria in central Sri Lanka.

The project, which includes construction of a 110-metre high dam, a tunnel and power station will, on completion in 1985, supply about a third of the country's total installed capacity.

The Victoria scheme forms partof Sri Lanka's large Mahaweli development programme which involves the collaboration of the World Bank.

The bank and a group of other multilateral and bilateral donors are providing extensive development finance.

Britain's grant, which at one stage looked as if it might be cut as part of the review of UK aid commitments, will be spread over six years, starting in 1980.

Sir Alexander Gibb and Partners have conducted a feasibility study and undertaken the design of the dam and power station. The company is expected to be appointed consulting engineers.

British contractors will be engaged to build the dam and power station and nearly all the goods and equipment involved will be purchased in the UK. Contractors have been asked to tender for the construction of the dam and tunnel to carry water to the power station. Invitations for tender for the construction of the station will be issued shortly.

The UK contractors tendering for a share of the work are thought to include Wimpey, Laing, Cementation and Taylor Woodrow.

So far, about £3m of British aid—in addition to the latest £100m approved — has been used to finance preliminary work on the project.

Berlin broadcast by Ceefax

Financial Times Reporter

THE BBC has made the first news broadcast from outside Britain on its television text information system, Ceefax.

The broadcast, transmitted directly on to the system from Berlin, was part of a campaign to promote the British invention in Germany, together with the associated system being developed by the Post Office, Prestel.

Both systems enable words and graphics to be displayed on an adapted television set. In Ceefax, and the independent *television system Oracle, the in*formation is transmitted by the ordinary television channels. It is broadcast simultaneously with normal programmes and can be viewed at the flick of a switch.

Prestel information takes a similar form, but is transmitted down a telephone line instead of being broadcast. In both systems a large number of "pages" of information are stored electronically on computers. Prestel has a much larger page capacity.

In the BBC's experiment yesterday, a news item was typed into a Ceefax keyboard at the Berlin Radio and Television Exhibition. The information, sent by telephone wire to the Ceefax computer, was broadcast from a small 100 page demonstration system at the exhibition.

The British system for presenting television data has been adopted in Germany, where the Bundespost has taken a licence from the Post Office.

A German broadcast system of television text is expected to be in operation next year. Manufacturers are developing sets capable of receiving the service.

Power project worth £100m

Medicine licences proposal attacked

BY PAUL TAYLOR

A GOVERNMENT committee proposal to revoke licences for about 220 medicines—including many "traditional" pharmaceutical products—as part of a general drugs review has angered the manufacturers.

The Committee on the Review of Medicines, which is examining 36,000 prescriptive and over-the-counter drugs under the 1968 Medicines Act, has sent letters to about 50 pharmaceutical companies asking why licences for certain brands should not be revoked.

The Association of the British Pharmaceutical Industry, which represents many of the companies involved, claimed yesterday that manufacturers have not been given "proper scientific reasons" for the proposals, which could force companies to withdraw certain brand medicines from the market, and that the proposals had been made without consultation.

This was denied yesterday by the Department of Health and Social Security, which said discussions had taken place with the manufacturers before the letters were sent out and added that the proposals would now be subject to the full appeals procedure.

Grounds

The medicines covered by this latest section of the committee's work include certain rheumatic drugs, analgesics (pain killers), and psychotropic drugs (mood-changing drugs like tranquillisers and sedatives). Details of the proposals have not been made public, but the list is also thought to include certain types of anti-diarrhoea medicines.

The department stressed yesterday that safety grounds were not the primary reason why certain medicines had been placed on the list. If there was a clear suggestion that a particular medicine was dangerous the matter would have been dealt with by another committee—the Committee on the Safety of Medicines.

It is understood that the letters to manufacturers each give one of three main grounds on which licences could be withdrawn: because an alternative and "safer" product is available, because of doubts over quality, or because of doubts over effectiveness.

Many of the medicines are thought to be of the "traditional" type bought over the counter in a chemist shop or on prescription.

Improved living standards

By Our Economics Correspondent

THE QUALITY of life in Britain has improved substantially over the last decade according to the latest edition of The British [illegible] in Figures, published [illegible] yesterday.

[illegible] standards, as measured [illegible] disposable income [illegible] head rose by 26½ per cent between [illegible] and 1978.

The number of telephones per [illegible] rose from 218 to 414 over the decade.

The percentage of households owning refrigerators increased over the period from 60 to 89 per cent, and the number of homes per 1,000 of population rose from 341 to 375.

The increase in food prices outstripped the retail prices index for all items by 20 per cent over the past 10 years.

In detail, the price of a quarterly rail season ticket rose by 3.7 times over the decade while the cost of a gallon of petrol increased by 1.8 times and the price of a mini rose by [illegible] times.

The number of working days lost through strikes doubled over the decade while there was a slight fall in days lost through sickness.

Poor airport facilities 'threaten tourism'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITAIN could lose a substantial amount of its tourist earnings if airport facilities in the UK—particularly in London and the South-East—are not improved to meet traffic growth.

The British Airports Authority says this in a statement supporting its plans for a second passenger terminal at Gatwick Airport, Sussex.

The authority has asked the Government for permission to build the second terminal to raise Gatwick's passenger capacity from the present 16m passengers a year to 25m a year by the mid-1980s.

A public planning inquiry into the request is to be held at Crawley Town Hall on November 27.

The authority says the new terminal is essential "for the handling of UK air traffic, for the maintenance of an efficient airports system to serve the London area and the nation generally, and for the maintenance of the UK in the forefront of the world air transport industry."

If the second terminal is allowed, it will create many more jobs.

The present level of 13,400 jobs will rise to 23,000 when present facilities are at full capacity by about 1984, and rising thereafter to between 25,000 and 30,000 jobs by the early 1990s if the second terminal is allowed.

Pointing out that the UK air transport industry contributed a net gain of £244m to the balance of payments in 1977, with a further growth in 1978, the authority says that if the second terminal is refused, there could be a reversal of that trend.

"The loss of tourist traffic to foreign airports and the loss of freedom to expand existing markets or to develop new markets would potentially reduce the earning power of the air transport industry significantly," says the authority.

"A diminution in the ability of foreign airlines to operate into and out of London, due to lack of adequate airport capacity, would rebound upon the ability of UK airlines to operate overseas.

"Good air communications are essential to the UK as a trading nation. About one-third of the passenger traffic at London's airports is travelling on business.

"If UK business travel abroad or foreign business travel to the UK is inhibited by difficulty in obtaining flights at the desired times or by restrictions on the rights of UK airlines to operate overseas, then UK trade must suffer.

● The need for a new £30m passenger terminal at Birmingham airport, adjacent to the National Exhibition Centre and the Birmingham International railway station, has been stressed by the West Midlands County Council.

Mr. Donald Lewis, chairman of the airport committee, said that the current facilities at Elmdon were "a disgrace to the city as well as to the county"

The difficulties of accommodating aircraft, passengers and crew will get steadily worse, he said. "For example, a rate of 300 passengers an hour at any time produces congestion."

● AIRPORT charges at the Queen's Building roof gardens, at Heathrow Airport are to increase tomorrow, the British Airports Authority said yesterday.

The charge for adults will go up from 20p to 35p and for children, from 10p to 15p. Old age pensioners, previously charged at the adult rate, will be admitted at the children's rate.

Study support for North Sea common gas gathering pipeline

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE INCREASE in oil prices and a continuing high demand for petro-chemicals makes it important to look again at the proposal for a gas gathering pipeline in the North Sea, the Scottish Council for Development and Industry said today.

In a study of associated gas and gas liquids, the council argues that the previous examination of the case for a common gas gathering system two years ago did not adequately consider the downstream aspects.

Also, since the report was published, prices have risen, gas reserves have been re-appraised and petro-chemicals — particularly naphtha — have become expensive and more difficult to acquire. This has encouraged manufacturers to look for alternatives such as ethane, propone and butane, which are available from the North Sea.

The council estimates that the production of gas liquids from UK fields could rise to a peak of 8.7m tonnes a year by the late 1980s with production of methane rising to nearly 2bn cubic feet. The total value could be £1.5bn a year at present prices.

These figures are so large both in cash and energy conservation terms that they cannot be ignored, the council says. Revenues from exploiting gas reserves should be sufficient to ensure a reasonable return on the high capital investment required to instal recovery and landing systems.

The oil industry is praised for showing a "responsible and constructive" approach to gas and liquids recovery, in the national as well as their own interests. But the Government and local authorities should give every encouragement by simplifying and speeding up planning procedures.

The study looks at the profitability of building a gas processing plant beside the Cromarty Firth and concludes that on a total investment of between £670m and £770m over ten years, there should be a pre-tax return of 24-30 per cent.

"Significance of Associated Gas and Gas Liquids," Scottish Council, 1 Castle Street, Edinburgh. 75p.

Scotch distillers blamed for failure to meet changing tastes

BY CHRISTOPHER PARKES

THE FAILURE of Scotch whisky producers to respond to changing consumer tastes is roundly criticised in a report by Wood, Mackenzie, the stockbrokers. The producers' conservative approach is one of the main reasons for the fall in their share of the expanding U.S. drinks market, says the report.

And in other countries the damage done to Scotch's reputation by the dumping of cheap blends has spoiled opportunities for increased sales.

Sales in the U.S. stood still between 1972 and 1977, while consumption of less strongly flavoured drinks was booming. In the past 10 years vodka has doubled its share of the U.S. spirits market to more than 20 per cent.

Last year only 29 per cent of all Scotch sales went to the U.S. compared with 44 per cent in 1971.

"The Industry has failed to widen the appeal of the product, particularly among younger drinkers," the report says, criticising the traditional advertising approach that whisky should be drunk neat or mixed only with water or ice.

"The industry has proved more than a little reluctant to promote the product as a mixed drink."

As a result, ground has been lost in the relatively new market created by "occasions" or social drinking.

Even so, sales remain strong to the drink's traditional consumers: middle-to-high income earners aged 35 or more.

Advertising aimed at this group concentrates on the quality of Scotch whisky. Given that Scotch is significantly more expensive than competing drinks in overseas markets, the report concedes that promotion intended to bolster this high-class image is the correct tactic.

But it concludes that considerable harm has been done to the drink's reputation by the proliferation of cheap, inferior blends marketed by "back-street" blenders drawing on stocks of grain spirit built up in a spell of "massive overproduction" in the mid-sixties.

Some of these blends, containing as much as 95 per cent grain whisky, compared with the normal 65 per cent, have been dumped on the export market at prices up to 50 per cent below those recommended by the Scotch Whisky Association.

"As such, Germany is one of the industry's failures; Scotch holding only 3 to 4 per cent of the spirits market. At least part of the reason is the low standing of Scotch as a result of the widespread sale of poor blends," the study says.

Surplus stocks are now dwindling, and the problem caused by these blends is diminishing.

Docklands views wanted

BY PAUL TAYLOR

RESIDENTS ON the route of the proposed £130m Docklands southern relief road are to be asked about the controversial scheme in preparation for a possible public inquiry next year.

The Greater London Council, which considers the 6.5 mile road essential to ease traffic problems in South London and help revitalise Docklands, will distribute about 60,000 leaflets to residents on the proposed route next month as part of a full consultation exercise.

The move follows the council's decision last month not to seek special Parliamentary powers to speed up the planning process. Under the proposals the twin-lane dual carriageway road would run from Bermondsey to Woolwich and cross the Thames twice to link Surrey Docks, the Isle of Dogs and Greenwich.

Peart to receive top prices post

BY ELAINE WILLIAMS

LORD PEART of Workington is to succeed Lord Godber of Willington as chairman of the Retail Consortium.

Lord Peart, former Minister of Agriculture in two Labour governments, is a director of Dewhursts, the chain of butchers and Tyne Tees Television. He is Leader of the Opposition in the House of Lords, having been created a life peer in 1976.

Lord Peart . . . succeeds Lord Godber as chairman.

As chairman of the Retail Consortium, which represents about 85 per cent of the retail trade, Lord Peart will be examining Government policy on competition and price controls and trying to strengthen the consortium's lobbying activities in Europe.

While Lord Godber was chairman, the organisation built up its lobbying activities in Europe by setting up an office in Brussels in January this year.

Lord Godber is also a former Agriculture Minister for the Conservative Party. He received his life peerage only three months ago. He was closely involved with the Government on price controls in the retail sector which eventually led to the abolition of the Price Commission.

£2.9bn paid by life companies

By Eric Short

LIFE COMPANIES in the UK paid out a total of £2.9bn to policyholders last year—averaging £8m a day—according to the annual report published by the three life company associations.

The Life Officers' Association, the Associated Scottish Life Offices and the Industrial Life Offices Association say payments to policyholders in 1977 amounted to £2.7bn.

Total life funds at the end of last year stood at £34.8bn, an increase of £4.1bn (13 per cent) on the year. The proportion held in equities was increased slightly from 29.6 per cent ot 29.9 per cent, while the amount held in property rose from 20 per cent to 22.3 per cent.

The proportion held in UK gilts and local authority stocks dropped from 24.4 per cent to 23.8 per cent while the proportions held in other assets reduced some 26 per cent to 24 per cent.

The income received last year by life companies jumped by nearly 10 per cent from £8bn to £8.75bn, with premium income advancing from £4.7bn to £5.5bn and investment income from £2.6bn to £3.1bn.

Strong market

Last year was successful for new business in all branches of life assurance. New annual premiums on individual business rose by 23 per cent from £354m to £437m and single premiums improved 12 per cent from £317m to £356m.

The linked-life market remained particularly strong during 1978 with increased demand for the types of savings contract offered in this sector. New single premiums rose by more than 30 per cent to £282m and new annual premiums by 26 per cent to £63m.

The introduction, in April, 1978, of the new State earnings-related pension scheme provided a boost to pensions business written by life companies. Total membership of insured schemes rose by 750,000 to 9.76m and life companies last year paid out £273m in pensions.

UK life companies continued to expand their operations in Europe and premium income rose by 37 per cent from £208m to £285m.

Life Assurance in the United Kingdom 1974-78, published by The Life Offices' Association, Aldermary House, Queen Street, London, EC4N 1TP

BL shop stewards reject five-grade pay structure

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARS is threatened with more pay disputes in spite of union fears that the company is about to announce large scale redundancies and plant closures.

In a move which puts the whole future of central bargaining in question, 300 senior shop stewards voted in Coventry yesterday to throw out company plans to slot workers into a new five-grade pay structure.

Stewards rejected the company's centralised appeals system in favour of pushing disputes through procedure at plant level—a decision which could lead to walkouts at several plants.

Mr. Grenville Hawley, national automotive secretary for the T and G warned that there could be a spate of disputes.

Dissatisfaction about the way the company was grading workers was widespread, he said. Negotiators felt very strongly about the company decision unilaterally to impose the new grade structure.

Potential troublespots include Swindon, Cowley Assembly and Longbridge. Union leaders are conscious that any action could further threaten BL Cars' deteriorating position.

Jaguar-Rover-Triumph, is currently reviewing operations in the light of the fuel crisis and the impact on exports of the strength of sterling.

Under company plans, the Rover Assembly plant at Solihull will be working at only one third capacity from next week. The spare capacity would make it possible to switch assembly of the proposed new Honda car from Triumph Canley, Coventry, to Solihull.

Such a move would raise the possibility of ending car assembly at Canley where the Spitfire and Dolomite models are scheduled to be phased out over the next few years.

TR7 assembly could be switched from Canley to either Solihull or MG at Abingdon. Another option would be to put the new Honda model into Cowley, Oxford. But BL Cars stressed last night that no decisions had yet been taken.

Yesterday's shop stewards' vote marks a serious setback to company proposals to implement a new grading structure as part of the programme to achieve parity — the same wage for the same job — by November this year.

There is clearly a threat of renewed union rivalry between the AUEW and the TGWU over the position of skilled men and production workers.

Civil servants plan strike action

BY PHILIP BASSETT, LABOUR STAFF

DEFENCE and other Government work is likely to be disrupted from next week when 166,000 industrial civil servants strike and take other official action over the staging of a pay offer.

Action last year by the blue-collar civil servants over pay halted the operations of three-quarters of Britian's Polaris nuclear submarine fleet.

The joint committee of all 12 unions representing the grades involved will meet on Monday to lay detailed plans for the action.

Union officials expect it to begin within a week from that meeting, but recognise that some more militant areas such as Scotland may well take action before the official starting date.

All four major unions involved have now authorised their members to begin industrial action after a delegate conference of the Transport and General Workers' Union, representing about 80,000 workers in the group, yesterday voted 108-3 to support any action.

Action is likely to include selective stoppages at key establishments, including the Polaris submarine bases, naval dockyards, Royal Ordnance factories and air force and army bases such as RAF Marham in Lincolnshire, an air-to-air refuelling base.

Many of the likely targets have already been badly affected this year by action over pay by Government scientists and technologists, members of the Institution of Professional Civil Servants.

The action is aimed at opening negotiations on the staging of a 22-30 per cent increase. The Government is insisting that it should be in the form of 9 per cent plus £1 from July 1, 5 per cent from November 1 and the balance due from the increases of 22-30 per cent already recommended by an independent comparability unit on April 1 next year.

Mr. Mick Martin, TGWU public services national secretary, said yesterday that Lord Soames, the Lord President of the Council, had made it clear that the Cabinet would not alter its decision on staging.

The staged offer would take the labourers' lowest rate from £44.80 to £54.50 and the top craftsman's rate from £58.55 to £75.95.

ITV to discuss new technology

BY GARETH GRIFFITHS

THE MANAGING directors of the 15 independent television companies will discuss a letter from the Association of Cinematograph, Television and Allied Technicians calling for fresh talks at their meeting today.

Mr. Jack O'Conner, the ACTT's national TV officer, wrote earlier this week to Mr. Ron Carrington, the labour relations advisor to the Independent Television Companies Association, asking for clarification on suggestions that new technology agreements could provide the basis for more money and fresh pay talks.

The ITCA meeting today is expected to spend most of its time on the ACTT letter. The companies this week reiterated that there could be no justification for increasing their present 16½ per cent offer.

Mr. Alan Sapper, ACTT's general secretary, yesterday launched a sharp attack on the companies. He called their approach to the trade unions and the public "totally irresponsible."

He said the union would be seeking asurances on industrial relations plans from all applicants for franchises on the network when they come up in 1981.

ACTT wants a code of industrial behaviour, guarantees on programme quality, access to all important financial decisions, companies to concede to their workforce a share of control and a "fair share of the industry's prosperity for its workers."

Mr. Sapper said the union would vet very carefully current franchise holders and "tell them they have got no future in the industry if they do not behave themselves."

He said a group of merchant banks and pension funds have held a meeting, with a Government representative present, to consider trying to take a major existing ITV franchise as a result of the dispute.

Both sides in the dispute saw the franchise argument last night as an attempt to bring the Independent Broadcasting Authority into the dispute. The IBA allocates franchises and supervises the network.

The IBA, however, will not intervene in an industrial relations dispute and is making no official comment. IBA officials last night said the authority would not intervene and franchise allocation took account of many considerations.

Franchise holders should be able to guarantee smooth production but there was no way in which the unions could exercise a veto power over allocations.

Constraints on unions 'criticised'

THE Institute of Personnel Management believes that some Government plans for legislative constraints on trade union activities may be unnecessary and may, in certain circumstances cause considerable problems for industrial managers.

Mr. Nick Cowan, the institute's vice-president for employee relations, says that if the Lords upholds the Court of Appeal decision in the Exress Newspapers case, the law may then provide most of what the Government seeks on secondary picketing.

The Engineering Employers' Federation has already voiced serious reservations about some of the Government's legislative proposals.

Writing in the magazine Personnel Management, Mr. Cowan, who is also group personnel director for Unigate, questions the need for the Government to involve itself in legislation on secondary picketing which, he says, may be contentious.

He says this issue has arisen because of political necessity which has priority over industrial relations considerations.

The institute says many of the other provisions in proposed legislation on industrial relations are welcome.

Shipyard to vote on overtime

SWAN HUNTER shop stewards are to ballot the company's 10,000 workers on the controversial overtime ban imposed at a mass meeting earlier this week.

The earliest the ballot can be held is the beginning of next week

The shop stewards yesterday bowed to considerable pressure for a ballot—and some opposition to the ban—from many of the workers following the mass meeting.

The ban was called to back the Confederation of Shipbuilding and Engineering Unions' protest against British Shipbuilders plans to close four yards

Hoover deadlocked in pay dispute row

BY ROBIN REEVES, WELSH CORRESPONDENT

MANAGEMENT and unions at Hoover's washing machine factory in Merthyr Tydfil, South Wales, have reached deadlock in discussions aimed at ending a three month work-to-rule.

Shop stewards at the plant have refused to negotiate an end to the dispute until the management reverses its decision to withdraw the factory sickpay scheme from next Monday because of high absenteeism — which has recently been reaching as high as 20 per cent of the 4,250 workforce.

Withdrawal of the scheme, which guarantees 80 per cent of normal wages during illness, was announced in a letter to production employees last weekend, which warned that the company's position was "very serious." Apart from the considerable loss of production resulting from the dispute, company profitability has also been badly affected by the steep rise in sterling.

The letter to employees also gave notice that the company will transfer production of export washing machines elsewhere, probably abroad, with the loss at Merthyr of up to 1,200 jobs.

581,000 days lost in July strikes

BY OUR LABOUR STAFF

THE NUMBER of working days lost through strikes fell from 620,000 in June to 581,000 last month, according to the Department of Employment.

The number of works involved in stoppages fell sharply, from 198,000 in June to 48,000. This seems to reflect increasing white-collar selective stoppages —in particular, selective strikes technologists, members of the Institution of Professional Civil Servants, which are listed by the Department of Employment Gazette as one of the major stoppages of the period.

Other principal stoppages were the strikes over pay at Chrysler's Ryton and Stoke engine plants in Coventry, are continuing.

The number of stoppages beginning in the period fell from 171 to 141.

The large number of days lost in the bout of strikes in the first two months of the year continues to be reflected in the running totals.

Some 8.049m working days wer elost in the first seven months of the year, compared to 3.738m in the same period last year, and 2.453m workers were involved compared to 604,300. The number of stoppages fell, though, from 1,384 to 1,222.

● Household spending rose by 11.7 per cent last year, compared with 1977, to an average £80.26 per week.

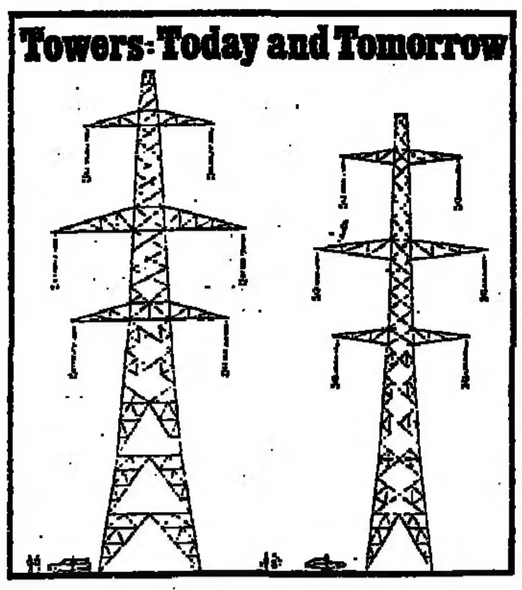
An early survey by the department shows large rises in spending on houses (15.1 per cent), and clothing and footwear (17.3 per cent). Food spending rose by 8.9 per cent.

ENERGY REVIEW

BY DAVID FISHLOCK

National grid towers put to the test

IN A hollow scooped out of a Mendip hillside, hard by Cheddar Gorge, the electricity supply industry is doing its best to break one of the towers that carry its cables across the countryside. One afternoon earlier this week steel hawsers coupled to rams in the rock-face began to tighten, simulating winds that might blow the tower over. The tower moaned and groaned—but survived its first test.



	Today: L6 (M).D	Now: L12.D
Conductors	Four 400mm²	Two 800mm²
Line rating	3,070 MW	2,250 MW
Tower height	50.6m	46.5m
Base size	10.9m	7.06m
Tower weight	23.2 ton	15.8 ton

The National Tower Testing Centre at Cheddar.

The tower is a new one, the first the Central Electricity Generating Board has designed for some years. The challenge is to design one that will be both cheaper and less intrusive visually, with which the CEGB can extend the 400-kilovolt national grid in the 1980s. The opportunity to tackle a new tower design arose with the development of a new all-aluminium conductor to replace the steel-cored aluminium conductors—the overhead "wires"—used today.

If all goes well, this will be the tower used for the proposed Taunton-to-Bridgwater spur in Somerset, through an area designated as being of outstanding natural beauty.

Civil engineers are not often given the opportunity to test their structures at full-scale before they go into service. But for a decade or so it has been the practice worldwide to test the towers on which overhead transmission lines are strung. These towers are exposed to immense strains under some weather conditions, and especially when these produce a large build-up of ice on the conductors. *Should a conductor* then break, the resulting imbalance further increases the strains on the tower.

Some countries have suffered spectacular collapses of hundreds of towers, one after the other, as the strains were transmitted along the line. This has happened in the U.S. (in Wyoming), in the Philippines, and even as near home as Denmark in recent years.

One way of safeguarding the electricity supply against such a catastrophic collapse is to insert extra-strong towers at intervals. This can be done in wide open spaces. But in countries such as Britain, where already the industry has to fight for every square inch of agricultural land occupied by its towers, these broader-based towers would not be acceptable.

In the early 1960s, when the CEGB began to install the 5,500 miles of "super-grid"—so-called because the new electricity network was superimposed upon the existing 275 kV grid—it needed a new place for testing its towers. It chose an old limestone quarry, mainly because the solid rock all around would provide firm anchorage for the lofty steel structures, and for the hydraulic rams to react against when stressing the tower.

Today its National Tower Testing Station at Cheddar is known to electricity utilities worldwide as one of a handful of places where they can have the tallest designs of tower tested. From the concrete-faced test pad the rock rises almost vertically for about 200 feet on two sides of the tower under test. The rams used to load the tower and its arms are secured to the rock face by anchors set more than 60 feet deep.

The new "slimline" tower being tested by Mr. Bill Burns, station manager, and his staff of 60 has been designed by the CEGB's transmission division at Guildford. It weighs about 16 tons and stands 151 feet tall. It is designed to carry the full output of a big power station, 2,250 MW. To the casual eye it does not look much different from the ubiquitous 400 kV towers strung across Britain at present.

But the CEGB engineers believe that by lopping 13 feet from the height of present-day towers, and halving the area they occupy at the base, they can significantly reduce the intrusion into the landscape. They have been able to do this because the new all-aluminium conductors will sag less than overhead lines do today. To this, they say, will be added the visual advantages of using twin conductors of the new kind, instead of the four conductors needed today.

The acid test for their claims began this week, with the first of a total of seven tests on the tower for the effect of wind under different combinations of weather and operating conditions. So far it has survived the first two statutory tests required under the Electricity Act. The first test of the tower was for a high wind gusting across the lines, forcing the long strings of insulators from which the conductors are suspended out at an angle and imposing great strains on its arms. The second test was for the same condi*tions with conductors strung* from only one side of the tower.

A tower is built up from a lattice of light steel-angle, bolted into a rigid frame. For the tests the loads imposed by the heavy insulators and the conductors are simulated electronically.

As the hydraulic rams begin to tug on the tower, the lattice of steel protests with ominous grunts, groans and loud bangs. At the same time tension in the control room half-way up the rock face is rising. The designers can never be sure that they have got it right. Once a tower *failed so catastrophically* it keeled over against the rockface. Nowadays they avoid any dramatic climax of this kind by having guy ropes of steel to keep it upright. Nevertheless, the control room manager hovers close to an "abort" button which will take the strain off the tower if it shows any real sign of crumpling. It could take weeks to clean up such a mess.

A tower is designed to withstand certain specified stresses for 60 seconds. Ideally, say the designers, it will go to 101 per cent of the specified stress for 61 seconds. If it goes much further they must have over-designed and hence increased its cost.

On the test pad close by the new CEGB tower is the base section of the last tower they tested, earlier this month. This was a tower designed by Balfour Beatty for China Power and Light Company, the Hong Kong utility for which Britain is building a coal-fired power station. The utility also plans to instal a new 400-kV grid for the Colony, 40 km in length, round the New Territories. This overhead transmission line must be strong enough to stand up to the occasional typhoon.

In fact, under test, at a point very close to the limits of stress for which this tower was designed, a couple of braces gave way, causing one of its solid steel legs to buckle. This tower must now be rebuilt and strengthened before further tests can proceed.

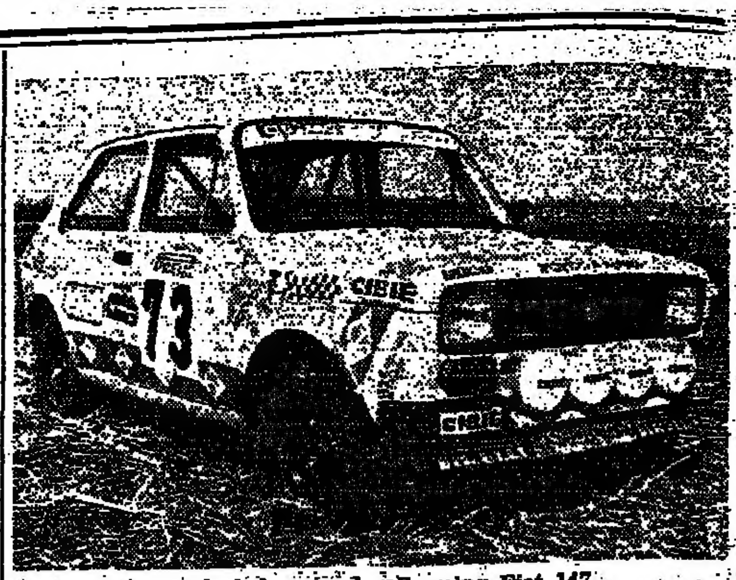
The new CEGB tower must undergo five further tests before the Board accepts the design. Four of these are to measure performance when a conductor is broken, a condition which can thrust immense twisting forces upon the tower. The last test—almost a test to destruction to see how and where the structure will fail—is one which attempts to simulate the worst weather conditions the CEGB can envisage for the grid in Britain. Should a tower fall, the failure is very fast so they make a video recording of every moment it is being stressed.

As every tourist is well aware, the British weather is full of surprises. The CEGB transmission engineers met a new one last winter, with their 400-kV line over the Pennines. Strong winds plucked at conductors over an inch in diameter, setting them vibrating like violin strings. This "galloping" of the conductors, as they call it, *kept up for* 48 hours, until the strains were beginning to cause bolts to pop out of the towers. There was not a thing the engineers could do but stand and watch, one of them told me. But they had already safeguarded the consumer by re-routing the power.

The CEGB designers, with their experience of building 5,500 miles of 400 kV overhead line, believe they now know how to design towers to a very precise specification. In practice this means designing not one but a family of towers—the "standard" model of the kind under test, plus variants to cope with 30 degree, 60 degree and 90 degree bends in the transmission line, and a terminal tower at the end of the line. Even so, they still need the confidence that comes from having put their calculations to the test at Cheddar.

Other electrical utilities, less experienced in transmission lines, tend to use tower testing more as an integral part of the design process. According to Bill Burns, the National Tower Testing Station is earning about £6,000 a year for each of its 60 staff in overseas contracts, in *competition with* other tower testing facilities in France, Italy, Spain and elsewhere.

It is a highly competitive business, he says wryly, as its chief salesman. But with an income that totals about £500,000 a year, and a programme which includes work on testing large boiler structures, nuclear power station systems, and the "coffins" used for transporting spent nuclear fuel, the station is paying its way, he claims.



An alcohol-powered rally-going Fiat 147.

Brazil's growing car industry

BY STUART MARSHALL

THIS YEAR, Brazil will manufacture over 900,000 motor cars. *Last year it produced* 836,000, an 18.3 per cent increase on 1977. And next year, it confidently expects to exceed 1m.

It is now the tenth largest car maker in the world after the U.S., Japan, Western European countries and the Soviet Union. If its rate of growth continues, it will overtake Britain in the car-making league by 1982 or 1983.

Brazil is by far the most important manufacturer and user of cars in South America. The 7m on its roads at the end of last year represented nearly half of the South American continent's car population. Yet as recently as 1960, Brazil made only 60,000 cars each year. Even in 1970, total output was 395,000, or less than half today's figure.

Best seller

Volkswagen is still the largest single maker. It began assembling Beetles with 40 per cent local content in 1953 and last year had 53.1 per cent market share. The Beetle is still the best seller but will soon be pushed into second place by the Brasilia. This attractive looking saloon or estate is still largely a Beetle under its fashionably angular body. The front-drive, water-cooled Passat is also being made by VW in Brazil and, last year, was the country's sixth most popular car.

General Motors is second largest after VW, with 18.6 per cent market share last year, mainly with a Chevette having a revised front-end with Pontiac overtones. Following closely behind is Ford (14.9 per cent *share last year*) whose Corcel is a clean-looking two-door saloon or estate falling between an Escort and Cortina in size. It is of conventional rear-drive layout and has a 1,372 cc four-cylinder engine.

The rising star in Brazil's automotive firmament is unquestionably Fiat. Discounting a handful of 25 or so Alfa Romeo saloons it assembles each day, Fiat is a one-model manufacturer in Brazil. The car which it introduced in 1976 and plans to go on making for at least 10 years is the 147, a toughened up version of the best selling European small car, the Fiat 127.

Fiat's advance has been spectacular. Within a year of showing the 147 to the public at the Sao Paolo motor show, 63,343 units (8.9 per cent of total registrations) had been sold. Last year, 90,539 Fiat 147s were sold, taking 10.8 per cent market share.

The 147's advance has been mainly at the expense of Volkswagen, whose share of registrations dipped by 4.8 per cent in 1978. Fiat have not achieved their penetration by underpricing the 147 which sells at 130,000 cruzeiros (about £2,360) compared with the larger VW Brasilia's 100,000 cruzeiros (£1,820). It seems that the Brazilian car buyers took the 147 to their hearts because it had front-wheel drive, which was considered both advanced and sporty, and had a lower fuel consumption than the VW. They christened it *elefantinho* (Little Elephant) and voted it "Car of the Year" in 1978.

Last month, Fiat scored an *important propaganda* point by announcing the world's first small family car to be designed to *run* on 100 per cent alcohol, which is Brazil's motor fuel of the future. For the last three years, the Brazilian Government has been mixing alcohol with petrol in a bid to save foreign *exchange. The mixture is now* 20 per cent alcohol, 80 per cent low-octane petrol, on which unmodified petrol engines run satisfactorily.

Under the national alcohol programme, its production from sugar cane, manioc and babaçu (a kind of coconut) is to be rapidly and substantially increased. By the end of this year, it is hoped that 4bn litres will have been produced and the final aim is to secure the virtual total replacement of petrol by alcohol by the late 1980s.

At present, alcohol is mainly produced in distilleries alongside sugar processing works but the building of 300 new distilleries, most of them separate from sugar factories, is proposed. By utilising only 3 per cent of the country's 8.5bn sq. kilometres of land, enough alcohol-producing crops can be grown to make Brazil self-supporting in motor fuel.

Fiat developed the 147 engine specifically for all-alcohol fuel. It is larger than the standard petrol engine (1,300 cc against 1,050 cc) and has a much higher compression ratio. This feature has also allowed a "dieselised" version to be developed but it will not be used in Brazil where diesel cars are forbidden. That is because the country is heavily dependent on trucks for freight transportation and all the gasoil imported is reserved for their use. The 147 with a diesel engine is to be exported completely assembled to Europe, starting in the spring of 1980. About 20,000 units will be shipped, initially to Italy but later in the year to other West European countries.

These will not be the first exports from the Fiat plant at Belo Horizonte to Europe. For nearly two years the standard 147 petrol engine of 1,050 cc capacity has been shipped in large quantities to Turin, where it is fitted into a growing proportion of the 127 cars sold in Europe and also into the Fiat Ritmo 60. By the end of April, more than 325,000 of these engines had been exported to Brazil.

Bus routes

The Belo Horizonte plant is owned 55 per cent by Fiat, and 45 per cent by the state government of Minas Gerais in which it is located. There are 10,000 people on the payroll and *another* 25,000 depend indirectly on the plant for their livings.

Few of the Fiat workforce live near to the factory. In association with local companies, Fiat has had to create an elaborate system of bus routes, varying in length from 9 km to 110 km, which bring workers direct from their homes to the plant. The 8,500 workers who use the company bus service each day pay only 16 per cent of the fare. Picking up the rest costs Fiat over £4,000 a day in subsidy.

Other social services are provided for the workers with a degree of paternalism rivalled only by the Japanese car makers. The state of Minas Gerais regards Fiat not just as an automobile plant but as an integral part of the region's development. Employee welfare facilities are on virtually a cradle-to-grave basis, encompassing medical and dental services, education for workers and their children, housing, leisure activities and feeding.

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MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

Jason Crisp talks to Alfred Singer, the Dalgety non-executive director who quit over the Spillers bid

The man who resigned "on principle"

Profile

EVERYBODY knows what a non-executive director is supposed to do when he disagrees with the board on a major issue and loses his case. Unfortunately all too often theory and practice are rather too far apart—after all, we don't really want to rock the boat; perhaps they are right after all, so I won't resign, and no, my decision has nothing to do with the several thousand a year in director's fees I would have lost. . . .

But not everyone can so conveniently forget their responsibilities. No sooner had Dalgety, the international agricultural and food merchanting group, launched its £76m bid for Spillers, than Alfred Singer promptly resigned "on principle." Although he has not, at least not yet, commented in any detail on his reasons clearly he does not believe the bid is in the interests of Dalgety, its shareholders or its employees.

His resignation is all the more embarrassing to Dalgety because he is well known—and well liked—in the City and his opinion may be better respected than most. He is also well known in industry and Whitehall.

Quiet-spoken and with a wry sense of humour Singer (54) hs lead an unusually varied career, notable both for an association with successful enterprises but also for a streak of independence, aptly illustrated by his quitting Dalgety barely eight months after he joined. Although he holds six other directorships, and is now a full-time "non-exec" he reckons he had spent two months of the eight on Dalgety business: "The first duty of a non-executive director is to familiarise himself with what the company does. And I happen to think as a financial man I can do this particularly quickly; figures talk to me."

He only became a full-time non-executive director earlier this year when he resigned as chairman of the giant Post Office Pension Fund after what he calls six years' service to the public sector. Ironically in the light of Dalgety, he joked at the time about how little a director of a public company had to worry about the shareholders, compared with the responsibilities of the trusteeship of a pension fund.

Singer decided to become an accountant on his 21st birthday. He was lying in a military hospital after being wounded in the Rhine Crossings (he was in hospital for two years) and a man in the next bed told him what a good living was to be had from accountancy. He qualified as a certified accountant and is now vice-president of the Association of Certified Accountants.

After a number of jobs in industry his career really took off when he joined Rank Xerox as chief accountant, becoming finance director in 1967. Apart, of course, from the experience of working in a company which was growing at a meteoric rate, he had the opportunity to broaden his experience from his narrow accountancy base. Nigel Foulkes, "a most enlightened chief executive," says Singer, insisted on regularly switching the director's portfolios, which was how Singer became personnel director for a staff of 16,000.

Although he was only in personnel for a comparatively short time he retains an enthusiasm for it as a discipline. "Unfortunately in this country it is terribly underrated." He reflects that accountancy and personnel are very complementary skills to have: the one is strong where the other is weak.

A high technology area such as Rank Xerox has rather a rarified atmosphere he says. "I think if you spend too long there you can get out of touch with the reality of the rest of industry. Probably ten years is long enough."

He himself was there eight years, leaving to join Tesco at around the time of Rank Xerox's reorganisation which gave the Americans greater control over the company. "They had the mistaken belief that finance was a science and needed a finance director," he says with a smile.

Singer waxes lyrical about his time at Tesco: "I loved retailing—it's one of the few businesses where you can come in on a Monday morning and have the results from the previous week's trading on your desk. Tesco is a company where you are allowed to make decisions."

He eventually became deputy-managing director, the highest anyone who was not "family" had risen in the company at that time.

After three most successful years with Tesco he was phoned at about ten o'clock one evening by a headhunter who started with the classic line: "How would you like to do something impossible?" Singer was a sucker for the challenging bait. The job was to rescue the floundering National Giro which, although a Labour baby, was given a stay of execution by the last Tory Government's great U-turn. (The decision to keep Giro going was made only a few weeks after that to rescue Rolls-Royce in 1971.)

It had been a particularly difficult post for Whitehall to fill. Untypically the mandarins resorted to headhunters. As Singer puts it: "I certainly was not on one of those lists of the 'great and the good.' I'd never met a civil servant before . . . I'd always worked for successful companies."

But the challenge of Giro was not the only reason, he says. The second reason was a little more intangible: "I very firmly believe you have to put back into society what it gives to you." The reasons behind this belief are a little more difficult to define

There was also the added attraction that Giro was in a competitive market and was not a monopoly. "I doubt I would have taken a public sector job if it was a monopoly." And he adds: "It is all too easy to criticise nationalised industries from outside. Too few people are willing actually to go and do something."

Once there he turned the existing policy on its head. Instead of going for the individual accounts—the great unbanked, as they were known—he went after the retail multiples. The big breakthrough, he says, was when he wrested Woolworth's deposit business from National Westminster. When he joined, Giro was making losses of £7m and within two years it was turning in profits of £1m, three years ahead of schedule.

Christopher Chataway, the Minister who had been responsible for saving Giro from the axe, wrote to Singer after he had left politics to comment on Giro's success. Making at least one decision in office which had been right, said Chataway, has restored his sanity.

As head of Giro, Singer was also on the board of the Post Office, which he saw as a less happy experience. It is obvious to see how difficult it would be for someone who had spent most of his career in fast-growing entrepreneurial companies like Rank Xerox and Tesco to accept the monolithic centralism that was the hallmark of the then managing director Sir William Ryland.

When Singer resigned in 1976, two years before the end of his term at Giro, it was widely held to be because he was unhappy with the way the Post Office was being run. However, the impact of his departure was somewhat mitigated by his becoming chairman of the Post Office's Pension Fund, with its assets of over £1bn.

He reflects that those six years were at "great cost" to him—he took a cut in salary to go to Giro—and that his pension arrangements are in "total disarray"—but no, he does not really have any regrets: "I greatly enjoyed myself."

Although he does not rule it out, he would seem unlikely to take another full-time position, not in the immediate future anyway. "I think I would take a lot of persuading to put my head back in the full-time corporate noose."

At present he is a director of Gestetner, Equity Capital for Industry, Guinness Mahon, Linfood and Mobile Training, and is chairman of Heron Group Pension Fund and Wholesale Vehicle Finance. As if that were not enough he also chairs NEDC's computer sector working party and is a governor of the Centre for Environmental Studies.


Terry Kirk

Alfred Singer—an unusually varied career.

Next year, in the natural order of these things, he will become president of the Association of Certified Accountants. As one of that body's livelier members, he should help its image. Indeed he has designs on taking the chair of the representative body of all the professional accountancy organisations, which will no doubt upset the chartered accountants, who have held it since CCAB was formed.

In some ways Singer is rather pleased to be back in the glare of publicity. After strenuously promoting Giro and attracting publicity for it—"I had to: we did not have any money to spend on advertising"—he kept very quiet at the pension fund. He is perhaps a little oversensitive to criticisms of pension funds: "Nobody likes a financial institution—but it is sad that pension funds have been singled out."

His action over the Spillers bid is going to bring him a problem—while companies will congratulate him for resigning will they not be a little fearful of ever inviting him to join a Board?

Analysis that can cut energy bills

ANY company spending more than £2,500 a year on gas, electricity, and oils is very probably paying too much for its energy supplies. Indeed, National Utility Service (UK), which reckons that it can cut back the energy spending of most companies, puts the odds of overpayment by companies above this level at 12 to 1.

Since energy conservation has become the West's current major preoccupation NUS seems destined to reap an advantage. If this should prove to be the case, it would be ironic because the company was founded 46 years ago on a concept—that still holds true—aimed at ensuring that a company pays the least possible for the maximum amount of energy it requires.

Its raison d'être is thus not to be an energy conservationist, though according to Graham Pusey, NUS's director and general manager (UK), its objective is not incompatible with conservation. For, in the process of closely monitoring the amount a company is spending in this area it may well become more efficient in its consumption of energy.

In essence, what NUS does is what many an individual, let alone company, wishes he had both the time and patience to do—that is, monitor closely exactly what he is being charged for electricity, gas and oil. Then, if there has clearly been a case of overcharging, a refund can be demanded, or if eligibility for a cheaper rate for any of these fuels can be proved, a change can be made.

It is, of course, a little more complicated than that. None of these three utilities is obliged to disclose to a customer which is the best rate for his purposes. The onus is on the customer to decide which is best for him. Many customers probably do not know what the basic tariffs are and, even if they do, there is a strong chance that their pattern of energy consumption throughout a day or a week will make it difficult for them to assess which tariff will really provide the economies being sought.

With oil and gas the prospects for major savings are admittedly limited. Gas tariffs are standard throughout the UK and bargaining has become much less possible in respect of oil supplies since the energy crisis reared its head for the first time in 1973.

Electricity, however, offers enormous scope for economies and provides a field day for an organisation such as NUS. For not only do the 12 electricity boards throughout England and Wales not operate an identical tariff structure, but each has its own variations on basic tariffs. On top of that any one of the 12 boards (Scotland is slightly different) is required by law to grant to a customer a tariff it does not already operate, but which another board may have in force. That is provided, of course, that the customer can identify such a tariff for himself.

To add yet another angle, if a customer can make out a case for a tariff that does not even exist the Electricity Board is obliged to operate it. So there is plenty of room for negotiation.

Given all this, it is hardly surprising that there has been a proliferation of tariffs. NUS, both by detection and presumably by having instigated a number of new tariffs itself, has now identified more than 470 different electricity tariffs in operation throughout the UK.

The pattern of consumption is crucial in determining what a company will have to pay for electricity. If the take-off of energy is at a time when the Board is at a point of maximum generation to meet maximum demand, the cost will be much greater than at times when demand is low. This does not mean there is a difference only between day-time and night-time consumption. An example, which is illuminating if not typical, is cited by an NUS executive. He recalls how he saved his local church £200 on its £900 annual electricity bill simply by moving a regular meeting forward one hour in the evening.

NUS identifies savings by analysis. A customer sends its bills to the company as soon as they are received and NUS builds up a pattern of consumption. If, from its records of tariffs operated in that particular customer's area, it sees that savings might be achieved by switching to another tariff, whether or not it already exists in that particular Board's area, the customer is advised to do so.

One point that appears to be frequently overlooked by consumers is that even if a tariff change is made it need not necessarily remain in force in the medium term. It is quite possible that a company's pattern of energy usage will vary from year to year—or even half year to half year—and that it should thus switch tariffs to take account of this.

The cost of using NUS is 50 per cent of the saving it achieves. Thus, if it achieves no saving (which is extremely unlikely) there is no charge. It also insists on a five-year contract with each customer. Savings, of course, vary enormously since companies it deals with are spending anything upwards of £2,500 a year on energy consumption, but the average saving achieved is over £2,000 a year.

With over 3,000 existing clients, NUS is recording and analysing around 100,000 bills a month and producing savings of over £6m a year.

Nicholas Leslie

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PLASTICS

Ribbed pipe process saves materials

LARGE DIAMETER plastics piping, using 60 per cent less raw material than conventional plastics pipes, and competitive with concrete and asbestos-cement, has been developed by a South African company, Duropenta.

The pipes, of the sort used for sewerage and general drainage, ranging in diameter from 300 mm to 1,000 mm, are reinforced with radial ribs spaced at short intervals, which allow a significant reduction in the thickness of the walls.

The company has also invented and patented a process to produce the piping which it has called "grow moulding." In the process, short lengths of pipe are injection-moulded and then "welded" to each other in a continuous process, to create long lengths.

Duropenta is a wholly-owned subsidiary of AECI, South Africa's primary chemicals group, which is in turn 40 per cent-owned by Britain's ICI. The company is now actively seeking to licence the new process to European and other manufacturers.

The company has christened the piping "Ribstruct," and claims that it has been thoroughly tested by the University of Natal and the National Building Research Institute of South Africa's Council for Scientific and Industrial Research.

In one field trial, when compared with concrete and steel pipes for load distortion, the Ribstruct pipe deflected only 1.5 per cent (without damage), whereas the concrete pipes cracked and the steel pipes buckled, Duropenta asserts.

Because of its thin walls, reinforced by the ribs, the piping can compete in price against both concrete and asbestos-cement pipes. It has very low friction losses and is unaffected by acidic sewer gases. The piping is also so light that it can be loaded by hand, and reduce transport costs. Durapenta claims that non-plastic piping weighs at least 8.5 times as much.

Mr. Ted Smale, an executive director of AECI, and Mr. Ted Mayberry, managing director of Duropenta, have just returned from a trip to Europe seeking to interest manufacturers in the piping and the grow-moulding manufacturing process, which the company has developed over the past seven years.

In the process, a 650-ton press carries a split mould around an inner fixed mandrel. There are two 200mm injection units which squirt the molten plastic into the mould at a rate of 400 kg an hour. As the mould opens and closes under automatic control, the pipe is pushed out at a rate of one metre every two minutes.

The company says that the grow-moulding process can be adapted to produce other products, such as ventilation dusting, chemical silos, cable ducting, square ducting, industrial box girders, and so on. Most thermoplastic materials can be used in the machine. They include pvc, polypropylene, low and high density polyethylene.

These plastics can also be foamed during processing by the addition of small bubbles of nitrogen or carbon dioxide, which makes the resulting piping even lighter and saves further on raw materials, and fuel, the company indicates.

Duropenta, New Germany, near Durban, Natal, South Africa. Telephone Durban 721551.

● MATERIALS

Guidance on use of solder

NEW INTERNATIONAL standard from IEC covers a guidance document on the use of solder and is applicable to all electrical and electronic components likely to be submitted to the tests described in another IEC standard, Publication 68-2-20 Test T: Soldering.

IEC has developed this standard to meet two principal industrial needs: to have precise and objective methods of assessing the ability of component terminations to be soldered satisfactorily in times and at temperatures suitably related to those employed in practice; and to have precise methods of subjecting components to such thermal stresses as would occur in soldering, prior to testing the components for damage which could be attributed to these thermal stresses. Both checks are necessary. They may be carried out in separate series of tests on different components.

To be realistic, all such tests must depend on the application under controlled conditions of specified solders and fluxes to the components under test. It is preferable to have tests the results of which are quantitative, and leave it to the relevant component specification writer to state which values of those quantities are acceptable. This ideal has been only partially achieved in Test T, and where quantitative assessments have been described, their limitation should be borne in mind. For qualitative assessments, the employment of experienced operators is advisable.

IEC says that there can be no direct and simple correlation between the results of the various solderability and thermal stress tests that is valid for all types of components nor can these tests match all the varieties of production conditions exactly. It is the task of the specification writer to correlate test results with the desired performance for each component and specify acceptance levels accordingly.

The guidance document on Test T, Publication 68-2-44, contains references to IEC Publication 68-2-20, fourth edition, 1979, which has been prepared at the same time as the new edition of Test T and which will be announced shortly. The guidance provided includes details on the choice of solder, choice of flux, ageing, the choice of test method be it globule, solder bath or soldering iron, on de-wetting phenomena, and resistance to soldering test.

IEC, 1 rue de Varembe, 1211 Geneva 20, Switzerland.

● COMMUNICATIONS

Control from afar

STATUS and control system—Intrac 2000—has been developed by Motorola Communications to meet applications demanding secure control and monitoring of distant events at unattended locations.

The Intrac 2000 family consists of a large capacity central station, a status and control unit and individual control and status units. A monitoring and control system can be constructed utilising any of these items of equipment.

A small system could typically employ only a status unit plus a control unit for automatic level control, while larger systems can be developed employing the complete Intrac 2000 family for the remote operation of pumping stations and sewage lift stations by water authorities; load shedding and switching of power supplies; level/alarm indications and control functions at chemical plants, etc.

Security of buildings, antenna switching and lighting and heating control at unattended sites are other possibilities.

The transmission medium for Intrac 2000 is either over a FM radio link or a private wire circuit.

The central station contains a memory that allows the monitoring and control of 50 remote locations, each having a capacity of up to 16 status and 16 control functions. Expansion can be provided in increments of 50 remote locations, to a maximum of 512. Designed to operate in an interrogate mode it will ensure system integrity. An alarm is generated whenever a remote station fails to respond to successive interrogations, or upon a change of state.

It issues all messages as digital coded binary words containing multiple coding techniques to ensure valid, error-free operation. Decoded messages must pass multiple levels of security checks before acceptance and display.

Display of incoming data is provided by modules containing a digital address and group indicator and eight pairs of red and green LED status indicators that represent status and alarms as well as power-fail and remote station fail and test. Display modules can be cleared by a reset button and information recalled from the central station memory as required. Incoming data to full display modules is indicated by an overflow LED and is stored until a display module is made available.

Motorola Electronics, Armstrong Road, Dareshell East, Basingstoke, Hants. 0256 58211.

● COMPONENTS

Holds the door open

A DISTINCTLY annoying feature of doors that close themselves in factories, hospitals and public buildings is that they do not really allow for the passage of trolleys, trucks, stretchers, wheelchairs or indeed anything other than one person with his hands free.

A surprisingly simple solution is provided by the Porz delaying device from Keelvale, Warren Park House, Warren Lane, Bingley, West Yorkshire (09766 69779).

It consists of a suction pad with a controllable air entry valve, mounted on the end of a bracket. This "leaking sucker" sticks to the back of the door to hold it open and the time for the inside of the sucker to reach atmospheric pressure and so release is set by a screw in the centre of the suction pad. The delay time can be set between five and 60 seconds.

Apart from simplifying the passage of wheeled vehicles, the device will also discourage fire doors from being wedged open, prevent heat loss and do away with damaged and scraped doors.

● ASSEMBLY

Puts pins and heads together

A FULLY automatic assembling machine has been designed by Rhoden Partners of 231, The Vale, London W3 7QU (01-743 4562), for a manufacturer of picture hooks.

The machine automatically fixes brass heads to hardened pins which do not protrude through the heads. It produces the assemblies at the rate of 1,800 per hour and eliminates the need for the manual loading of the two tiny components.

The machine is provided with two vibratory bowl feeders and linear tracks which feed the components to escapement devices built round a 12-station rotary indexing table. A self-equalising, toggle-operated, pneumatic press provides the force necessary for crimping the brass head round the spherical head of the pin.

The assemblies are ejected out of the jig by a combined mechanical and air-jet system. Three detection units are provided on the machine, to ensure that each component is fed into the jig and that the completed assembly is ejected out of the jig before feeding a new component.

The machine is powered and controlled by pneumatics throughout, except for the single-phase electrical supply required for the vibratory feeders.

It has been supplied to Ramon Long of Central House, 142, Central Street, London EC1V 8AR.

● DATA PROCESSING

Keeps the data flowing

AS COMPANIES come to depend more and more on computers, word processors and data networks in their day-to-day business, loss of mains electricity—or even mains fluctuations lasting only a fraction of a second—poses serious problems.

With vital information inaccessibly locked up in a powerless computer system, business efficiency can be seriously impaired. And in some instances, even a very short interruption to the mains supply can result in loss of some or all of the data held in an electronic system.

To provide protection for computerised business systems against the potentially damaging effects of mains interruptions, Chloride Transipack has developed a range of all-electronic uninterruptible power supply systems that maintain power to business equipment, whatever happens to the mains. They range from a 150 kVA uninterruptible power supply designed for large computer installations, down to units which will sustain power to small office equipment.

A 150 kVA Transipack uninterruptible power supply (UPS) system will be live and supplying continuous, conditioned mains power to two computer systems as well as the stand lighting at IBS in Birmingham.

One computer, an ICL 7502 terminal processor, will be on the Transipack stand, while the second machine, on the adjacent ICL stand, will be a System 10 machine complete with supporting terminals and core memory. Both these systems and the Transipack stand lighting will be protected against a complete power black-out, or short term interruptions caused by voltage and frequency deviation from the specified norm.

Also displayed will be an all-electronic frequency conversion system to provide 415 Hz, 3-phase power for large computers such as the IBM 3031 and 3032, Amdahl and ICL 2960 models. With the addition of a battery bank, the frequency converter can provide full no-break facility, as well as frequency conversion and mains conditioning.

Other static emergency power supply units suitable for smaller office equipment will be on display.

Transipack's co-operation with ICL at the IBS is partially a reflection of recent occasions where ICL computers have been supplied to end-users complete with Chloride Transipack uninterruptible power supply systems.

Chloride Transipack, Napier Road, Bromley, Kent BR2 9JA. 01-460 9861.

● PRINTING

Speeds offset work

AM MULTILITH quick-change offset blanket is an original concept which gives its users "two bites at the cost cherry," as the developer says.

Taking the form of a "peel-apart" printing face, the quick-change also provides an air-stabilised backer which cuts the risk of print distortion under high cylinder pressures.

Cost savings come from the peel-apart construction. A used printing surface can be simply peeled off the backer (itself adhesive-mounted on the blanket roller) and replaced in a few seconds with a fresh printing surface. The fact that surfaces can be substituted while retaining the main backer element of the blanket, means that users save down-time costs over the use of conventional blankets.

The second advantage lies in indirect savings arising from the structure of the backer. Micro-channels of air in a compressed fibre cushion provide ideal compression characteristics when printing—which means that distortion is minimised when the blanket is subjected to different squeeze tolerances during printing runs.

For instance, if the "squeeze" is increased on the blanket through printing on heavy paper or folded stock, the quick-change blanket ensures that optimum pressure is maintained on the print.

A conventional solid rubber-based blanket under these conditions would tend to bulge very slightly under the pressure on either side of the impression roller and so risk slight distortion of the print, as well as shortening the life of the blanket. This means, too, that there is no need to change pressures when switching paper thicknesses.

Resilience and "flat" compressibility eliminates stretch in the blanket and prevents the development of "low spots" at the leading edge.

Because of the adhesive method of attachment for both print surface and backer, changes of either can be effected swiftly and entirely without the need for tools of any kind.

AM International Information Systems, POB 17, Maylands Avenue, Hemel Hempstead, Herts, HP2 7ET. 0442 42251.

● IN THE OFFICE

Copier for general use

RONEO VICKERS is launching a general office dry-toner copier, the DB1010, on September 1.

It uses high level electronics and a microprocessor monitors all functions from the 1-99 copy pre-selector, memory and pause controls, to operational checks and diagnostic fault analysis, keeping service costs to a minimum.

Extremely simple to operate the copier is designed for any business with volume needs averaging 1,500-3,000 copies monthly. Costs per copy work out at 1p or less, depending on the nature of the work, and the machine has been tested successfully for superior reproduction on standard office stationery from 60-120 gsm, operating at an average of 10 copies a minute. The first copy speed is six seconds.

Roneo Vickers, Reprographics Division, P.O. Box 3, South Street, Romford RM1 2AR, Essex. Tel.: 70-46000.

● QUALITY CONTROL

Tests the valves

AEROSOL valves coming off the manufacturing lines can be checked accurately with new equipment produced by the control equipment section of the Bertin and Cie organisation in France.

Two versions are available. One is for continuous spray valves and the unit checks air-tightness at rest and the flow rate when the valve is opened. The second version is for metering valves. It checks air tightness and the exact volume of the dose delivered.

In both instances, the equipment will verify valves covering a wide range of capacities, to fit caps from 18 to 20 mm diameter, at a rate of 60 valves per minute.

Any valve with a defect is automatically rejected.

Bertin et Cie, BP No. 3, 78370 Plaisir, France.

LOMBARD

Britain and the EMS (part 2)

BY PETER RIDDELL

THE EUROPEAN Monetary System *has had a meteor-like* existence as an issue in British politics. It appeared, largely unwelcome, in the early summer of last year and became a major talking-point for a few months—at least in Whitehall and the City. But when the last Government decided not to link sterling with the other EEC currencies the issue quickly disappeared from public view.

But the EMS has not gone away permanently. Indeed it is alive, reasonably well and living on the Continent. Unlike the start of the original snake seven years ago the system has lasted for nearly six months without losing any of its members.

This is all much more than a matter of mere academic interest for Britain. Although the UK is not involved in the central currency link it is participating in some of the less important features and in the continuing discussions about the operation and development of EMS. Moreover the Conservative Government has promised a review during the autumn of the UK position on EMS.

Senior ministers have so far been rather cautious on the issue but a revealing, though non-committal, insight into British attitudes has recently appeared in the form of a House of Lords Select Committee report. In particular this contains previously undisclosed evidence given in early July by the two main officials concerned with EMS — Sir Kenneth Couzens, the head of the Treasury's overseas finance side, and Mr. Kit McMahon, an executive director of the Bank of England.

Mr. McMahon pointed out that the strength of sterling after the start of EMS on March 13 would have meant the rate would have "very quickly" been through the 2¼ per cent margin of fluctuation allowed to most currencies and the 6 per cent margin (at present allowed to Italy) would have been exceeded by April 11.

"*It may be that would not* have happened quite so quickly if we had been in the system. If the market had been sufficiently impressed with our determination at the outset, that would perhaps have delayed it. Given the upward pressure that has been on us up to now, it seems rather doubtful whether we could have stayed within our starting rates, unless we had taken some steps on economic policy generally, to validate the lower rate. It does not seem very likely."

An interesting feature of the session was the discussion of the economic, as opposed to political, qualifications which the UK authorities have had about EMS. Both the Treasury and the Bank regard the question of relations between the EMS currencies and the dollar as even more important in the short-run than divergencies of inflation rates within the EEC. In particular, when there is movement out of the dollar there may be greater upward pressures on the D-mark than on other currencies in the system. Last *autumn the Bundesbank* was reluctant to consider an agreed dollar policy. But Mr. McMahon reported that since mid-March there had been much more open discussion about intervention so that the countries were "inching" their way towards "a more coherent policy on the dollar."

Technical

Overall, however, there has been no real change yet on any of the main points which led the UK not to participate fully last December. Indeed the review of the system this autumn is likely to concentrate on technical points such as the workings of the divergence indicator and the weighting of different *currencies in the European Currency* Unit rather than on more substantive issues.

Several Tory economic ministers, notably Mr. John Nott and Mr. John Biffen, were critical of EMS during the original debate last year. And while there may be some pressure for joining from the pro-EEC lobby, it at present seems likely that the UK will not want to make an early commitment and that sterling will remain at a (friendly) distance from other EEC currencies. Indeed, other EEC countries are not exactly clamouring for early British participation since sterling in its current "rogue elephant" phase could easily disturb the current fine balance of EMS.

House of Lords Select Committee on the European Communities: Session 1979-80 13th Report — European Monetary System. Stationery Office, price £1.50.

MG's jubilee sports

AROUND BRITAIN

ABINGDON

DEEP IN the heart of the MG Cars plant at Abingdon on Wednesday, plant director Peter Frearson was heading up a major strategy session with 17 employees representing virtually every sector of the work force.

"We need six guys to put the MG in Biezeley's window. . . ." "We've got three volunteers to sleep with the beer. . . ." "*Tell* the queen to bring her football boots. . . ."

Tomorrow, MG Cars, which began life putting sports bodies *on standard* Morris cars at Cecil Kimber's Morris Garages in Oxford and which now forms part of BL's Specialist Cars division, starts a week of festivities to mark 50 years of production in this Thames-side town of 30,000, of which MG is much the largest economic prop.

There will be a fireworks gala tomorrow evening, then throughout the week dances, driving tests, raft races on the river and a barbecue, culminating next Saturday with a carnival for which Abingdon will effectively be closed to *traffic from the outside world.*

Yet back at the plant, originally a leather factory which never recovered from the loss of its trench-coat sales after the first world war, MG's 1,100 em*ployees throughout the week* will be continuing to turn out the 650-700 MGBs, 150 Midgets and 20 Austin Allegro-based Van Den Plas 1500s which together comprise MG's current weekly *output.*

They do so on five assembly lines fitted into factory buildings which, although added to and altered over the years, are far from purpose-built for the job. Of automated moving assembly lines and robots there is not a sign, the cars make their transition from body shell to road readiness on trolleys *moved mainly by hand, and for* the most part the loudest noises inside the plant are those coming from work force banter. The overall effect is far removed from the popular image of grim-faced men serving an automated master.

In the past three months, that effect has been reinforced by the appearance of a new depart*ment adjoining* the Van Den Plas line. Workers, who a short time ago were on the assembly lines, now practise their new (the factory's old) craft of leatherwork, making from *scratch* the hide seats which account for much of the 1500s price premium over its more mundane Allegro relatives.

Peter Frearson likes to point to the Van Den Plas operation *as an example of the plant's* flexibility in terms of both products made and the work force itself. The men, without objection, underwent a three-month Engineering Industry Training Board re-training programme on leather work, after the decision was taken to phase out the Midget sports car.

Output has been cut to the present level from 300 a week and by the end of the year the Midget will be another closed chapter of MG history. Its loss has been offset by the move of the Van Den Plas car from Cowley — output is being built *up to 45 a week; by stepping* up MGB production to 750 a week, and by installing its body-shell trim at Abingdon instead of Cowley. Together, these moves should mean that Abingdon will not shed any of its labour force.

Yet the fate of the Midget in itself cannot help but raise questions about what long-term future is envisaged for the anachronistic Abingdon operation under the policy umbrella of its Jaguar Rover Triumph parent.

The current Midget is a much-evolved version of a model which first appeared in 1961. In the past couple of years it had been losing sales appeal and dealers in the U.S., its main market, were obliged to offer ever larger discounts; it had also become increasingly difficult to adjust its specifications to meet proliferating U.S. safety and emissions requirements.

Only a year younger than the Midget, the MGB also is long in the tooth although its own evolutionary changes have allowed it to maintain its sales, particularly in the U.S., where the MG is a cult.

Trevor Humphries

MGs ancient and modern: left, the latest MGB; right the original 14-40, known as "No. 1." Tony Day, personnel and training officer, is himself an MG veteran with 31 years' service.

Yet Abingdon concedes that a burst of British inflation coupled with the strength of the pound could easily turn the "B" round from being the subject of an occasional U.S. waiting list to unsold stocks; for that reason, MG is once again seriously looking at re-entering the European market which it forsook in favour of American sales four years ago.

Other steps are being considered to prolong its longevity. It is unlikely to be too long before the 2-litre "O" series engine finds its way into the car, and it could yet have some years of life as a living "classic." But Abingdon could not assemble any new model in greater quantities than at present without the investment of substantial amounts in updating the plant. Whether that investment will be made and whether, in BL's overall rationalisation plans there is any room for both the Triumph and MG sports car ranges, are questions still awaiting answers.

But these very same questions have been hanging over the Abingdon works for a long time, and morale at the plant generally remains high. There are few signs of the industrial relations problems which have troubled other BL plants. Indeed, this week there were rumblings within the plant against the current series of one-day strikes called by the Confederation of Shipbuilding and Engineering Unions which could yet bubble to the surface when the CSEU steps up its campaign to two-day strikes next week. Their attitude is symptomatic of a plant which has the lowest labour turnover rate of all BL plants, where one-sixth of the workers have their 25-year service awards and where more than one family has three generations working at the plant.

In the past two years the fact that BL wages have not kept pace with those of other potential employers—notably the large new Ashfield trading *estate on Abingdon's outskirts* —has increased the turnover somewhat. But employees such as Stan Harris, with 35 MG years under his belt, make clear that their allegiance to MG, and Abingdon, is very strong.

Indeed, Abingdon and MG remain synonymous — hardly a trader in town does not have an MG display in his window and Morland's Brewery has come out with a special beer for the company's Golden Jubilee. A potent brew, it is called the Speckled Hen—after one of the very first MGs ever made.

John Griffiths

Small line-up for the Solario

THE INTERCRAFT Solario Stakes has had a disappointing habit of cutting up badly at the final declaration stage in re*cent years and to-day's running* of the race again sees a tiny line-up of four.

On this occasion winners in Rankin and Dragon's Head have just two maidens to beat in the Newmarket pair, John O'Groats and Winslow.

RACING

BY DOMINIC WIGAN

Last year Lyphard's Wish, who has not been sparkling in *recent home work with Kris,* faced only five opponents.

Although the way Rankin achieved an effortless victory over 17 opponents headed by Eight Roses in the Nightwatch Stakes at Lingfield three weeks ago will see him heavily supported to follow up, I intend siding with the Star Appeal colt, Dragon's Head.

This good looking son of the surprise Eclipse and "Arc" winner of a few seasons back travelled to today's course with a *tremendous reputation* preceding him last month. Backed down to 3—1 on, Dragon's Head duly scored. But he needed to be pushed out to the line to get the better of Marcello. There were many far from impressed with the way he scored.

A close third of 11 behind the second rate Star Way in Royal Ascot's Chesham Stakes on his only previous appearance Dragon's Head is, I believe, much better than that narrow victory over Marcello might suggest.

The first nomination to Mill *Reef to be sold at auction will* be on offer at a London dinner to be given by the Jockey Club in October to raise money for that fine institution, the Jockey Club Charitable Trust.

The nomination, given by that renowned philanthropist and great supporter of British racing, Paul Mellon, is one of five to be sold at the dinner. Morston, Reform, Welsh Pageant and High Top are the other stallions involved, and the nominations have been pre*sented respectively by Mr.* and Mrs. Arthur Budgett, the Ballymacoll stud company, Jim Joel and the Woodditton stud, and an anonymous member of the High Top syndicate.

Lady Beaverbrook will also donate to the trust the proceeds from a nomination to Bustino, although this will not be offered at the dinner.

	SANDOWN
2.00	Hay Reef
2.30	Major Martin*
3.05	Dragon's Head***
3.40	Hill Station
4.10	Chinese Kung Fu**
4.45	Bonnie Isle
	CHESTER
2.15	Raconteur
2.45	Sky Walk
3.15	King's Offering
3.45	Man Alive
3.15	Bruce Lee
4.45	Get Ahead

Radio

BBC 1

† Indicates programme in black and white

6.40-7.55 am Open University (Ultra high frequency only). 9.50 Magic Roundabout. 9.55 Jackanory. 10.10 Pixie and Dixie. 10.15 The Boy from 5B. 10.40 Take Hart. 11.25 Cricket: Fourth Test—England v India. 1.30 pm How Do You Do? 1.45 Midday News. 2.05 Cricket: Fourth Test. 4.18 Regional News for England (except London). 4.20 Play School. 4.45 In the Picture. 5.10 Hang on Doggy. 5.35 The Wombles.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Sportswide.
6.35 Star Trek.
7.20 Des O'Connor Tonight.
8.10 Miss United Kingdom.
9.00 News.
9.25 Athletics: Rotary Watches International Games.
10.30 Points of View (London and South East only).
†10.35 Phil Silvers as Sergeant Bilko (London and South East only).
11.00 Regional, National News.
†11.05 Late Film: "The Big Knife," starring Jack Palance.

All Regions as BBC-1 except at the following times:—

Scotland—5.55-6.20 pm Reporting Scotland. 10.30 Grimble on Genius. 11.00-11.05 Regional, National News.

Wales—1.30-1.45 pm Bys a Bawd. 5.55-6.20 Wales Today. 6.35 Ask the Family. 7.00-7.20 Heddiw. 10.30 Welshmen of our Time. 11.00-11.05 Regional, National News.

Northern Ireland—4.18-4.20 pm Northern Ireland News. 5.55-6.20 Scene around Six. 10.30 Lifetimes. 11.00-11.05 Regional, National News.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.30-11.00 East (Norwich) Times Remembered; Midlands (Birmingham) Spare Time; North (Leeds) In Conversation; North East (Newcastle) Norham: A Borderline Case; North West (Manchester) Unlucky for Some; South (Southampton) Cusden on Location; South West (Plymouth) The Individualists; West (Bristol) Pay As You Enter.

BBC 2

6.40-7.55 am Open University.
1.00 Play School (As BBC-1 4.20 pm).
4.30 pm Cricket: Fourth Test—England v India.
6.30 Open University.
6.55 Gardeners' World.
7.20 Mid-Evening News.
7.30 Live from the Proms (simultaneous with Radio 3 stereo).
8.30 Kilvert's Diary.
8.45 News 39.
9.00 "The First Polka," starring Maria Schell.
10.40 Top Crown BBC-2.
11.05 Cricket: Fourth Test highlights.
11.35 Late News.
11.50 Closedown reading.

Channel is the only IBA company transmitting programmes during the present industrial dispute. Details of this local service are given below.

CHANNEL

1.20-1.30 pm Channel Lunchtime News, What's On Where and Weather. 5.00 Puffin's Birthday Greetings. 5.05 Kum Kum. 5.30 The Lone Ranger. 6.00 Report at Six Extra. 7.00 Documentary—Leave Cape Horn to Port. 8.00 Target the Impossible. 8.30 Feature Film: "Bedtime Stories." 10.00 Channel Late News and Weather. 10.05 Cash and Company. 11.05 News in French.

Radio Wavelengths

1 1053kHz/285m 1089kHz/275m
2 693kHz/433m 909kHz/330m & 88-91vhf stereo
3 1215kHz/247m & 90-92.5vhf stereo
4 200kHz/1500m & 92-95vhf
BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 6.00 Andy Peebles. 9.00 Simon Bates. 11.00 Radio 1 Roadshow. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.00 Tony Blackburn. 4.31 Kid Jensen. 6.31 Roundtable. 8.00 Mike Read. 9.50 Newsbeat. 10.00 The Friday Rock Show (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Tony Brandon (S). 7.32 David Allan (S). 10.03 Derek Hobson (S). 12.15 pm *Waggoners' Walk.* 12.30 Pete Murray's Open House (S). 2.15 David Hamilton (S). 4.15 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 John Dunn from Dublin (S). 6.45 Sports Desk. 7.02 Quote . . . Unquote (S). 7.30 Sports Desk. 7.33 Fiesta De Dorita (S). 8.02 Johnny Gregory *conducts the BBC Radio Orchestra* (S). 8.45 Friday Night is Music Night (S). 9.55 Sports Desk. 10.02 Sequence Time at the Radio 2 Ballroom. 11.02 Sports Desk. 11.03 Brian Matthew with Round Midnight, including 12.00 News. 12.05 am Sports Desk. 2.02-5.00 You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture Concert, part 1 (S). 8.00 News. 8.05 Concert, part 2. 9.00 News. 9.05 This Week's Composer: Martinu (S). 10.05 Burnell Piano Trio (S). 11.00 *Music Interlude.* 11.25 *Cricket:* England v India, including 1.35 pm News. 1.40 Playbill. 2.00 Lunchtime Scoreboard. 6.40 At Home. 7.10 Pied Piper (S). 7.30 Proms '79, part 1 (S). 8.30 The Crossed Line. 8.50 Proms '79, part 2 (S). 9.35 Frans Bruggen recorder and flute recital (S). 10.00 Music Now: The future of the arts subsidy. 10.55 Bach Cantatas (S). 11.55-12.00 News.

VHF with Medium Wave above except 6.00-7.00 am and 11.00-7.10 pm as follows: 6.00-7.00 am Open University. 11.00 Edinburgh International Festival *1979 recital, part 1 (S).* 11.35 Festival Comment. 11.50 Recital, part 2. 1.00 pm News. 1.05 Playbill (S). 1.25 BBC Northern Symphony Orchestra Concert, part 1 (S). 2.00 In Short (talk). 2.10 BBC Northern SO, part 2 (S). 2.50 Composer's Portrait (S). 3.50 Karajan: The Early Years. 4.45 Comparing Notes (S). 5.45-7.10 Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 News Headlines; 7.45 Thought for the Day. 8.45 The Schoolmistress. 8.58 Continental Travel Information. 9.00 News. 9.05 Baker's Dozen (S). 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 Down Your Way visits Hastings, Sussex. 11.40 Announcements. 11.45 Listen With Mother. 12.00 News. 12.02 pm You and Yours. 12.27 The Enchanting World of Hinge and Bracket (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour from Birmingham. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 Vice Versa (S). 4.35 Story Time. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Going Places Railway Special. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30 When Men and Mountains Meet (S). 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The Grumbleweeds (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Travels of a Gentleman. 11.45 Just Before Midnight (S). 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 *Showcase.* 4.03 *Home Run.* 6.10 London Sports Desk. 6.35 Good Fishing. 7.00 Black Londoners. 8.00 Track Record. 10.00-5.00 am As Radio 2.

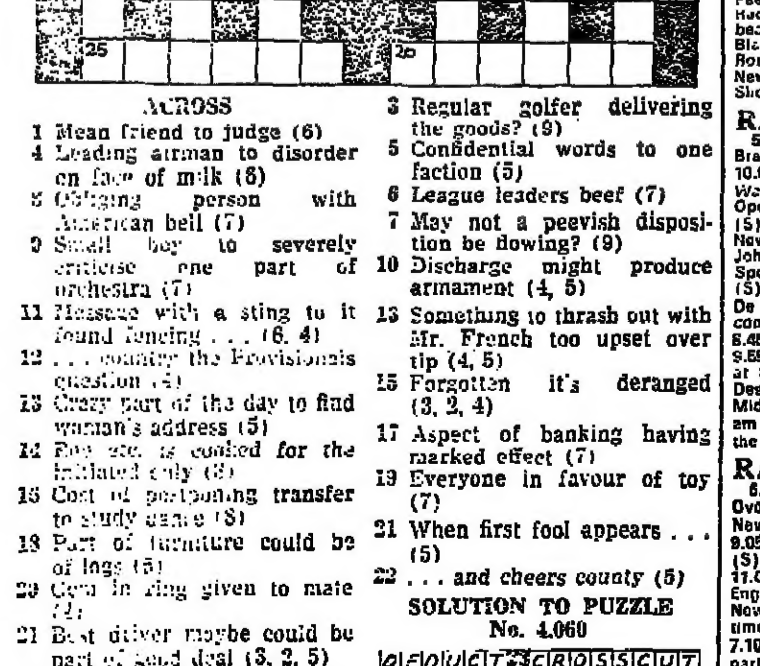
London Broadcasting

6.00 am AM with John Perkins and Steve Wood. 10.00 The Brian Hayes *Show.* 1.00 pm LBC Reports with Max Miller and Sarah Ward. 3.00 Openline with Claire Rayner. 4.00 LBC Reports with Sue Jameson and Sarah Ward. 8.00 After Eight with Therese Birch. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra with Hugh Williams. 5.00 Morning Music.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Alan Freeman (S). 11.00 Mike Allen's Late Show (S). 2.00 am John Sachs's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,061



ACROSS
1 Mean friend to judge (6)
4 Leading airman to disorder on face of milk (8)
8 Obliging person with American bell (7)
9 Small boy to severely criticise one part of orchestra (7)
11 Message with a sting to it found fencing . . . (6, 4)
12 . . . country the Provisionals question (4)
13 Crazy part of the day to find woman's address (5)
14 Fine etc. is cooked for the initiated only (8)
16 Cost of postponing transfer to study dance (8)
18 Part of furniture could be of logs (5)
20 Gem in ring given to mate (4)
21 Best driver maybe could be part of good deal (3, 2, 5)
23 Taking of Puccini heroine *before clamour appears* (7)
24 Hard blow to schoolmaster backing company taking care of . . . (7)
25 . . . cross-piece on rope that got round broken leg (6)
26 Notice ring on Northern Ireland's handsome chap (6)

DOWN
1 Bear with patrol car (5)
2 He's late getting up story sailor took to newsman (3-4)
3 Regular golfer delivering the goods? (9)
5 Confidential words to one faction (5)
6 League leaders beef (7)
7 May not a peevish disposition be flowing? (9)
10 Discharge might produce armament (4, 5)
13 Something to thrash out with Mr. French too upset over tip (4, 5)
15 Forgotten it's deranged (3, 2, 4)
17 Aspect of banking having marked effect (7)
19 Everyone in favour of toy (7)
21 When first fool appears . . . (5)
22 . . . *and cheers county* (5)

SOLUTION TO PUZZLE No. 4,060

D	E	D	U	C	T	■	C	R	O	S	S	C	U	T
O	■	I	■	R	■	A	■	E	■	O	■	H	■	A
G	O	S	L	I	N	G	■	D	E	F	L	A	T	E
H	■	H	■	B	■	I	■	O	■	T	■	I	■	A
O	N	C	E	■	C	L	O	U	D	B	U	R	S	T
U	■	L	■	B	■	E	■	B	■	O	■	■	■	Y
S	P	O	I	L	T	■	P	L	A	I	T	E	D	■
E	■	T	■	O	■	S	■	E	■	L	■	X	■	F
■	T	H	R	O	A	T	Y	■	K	E	E	P	E	R
S	■	■	■	D	■	R	■	R	■	D	■	E	■	I
M	A	T	C	H	M	A	K	E	R	■	S	N	U	G
O	■	U	■	O	■	W	■	L	■	E	■	S	■	H
O	U	T	R	U	S	H	■	A	P	P	O	I	N	T
T	■	O	■	N	■	A	■	Y	■	I	■	V	■	E
H	E	R	E	D	I	T	Y	■	S	C	R	E	E	N

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards 240 5258. Reservations 836 3161. ENGLISH NATIONAL OPERA Tonight & Wed 7.30 Die Fledermaus. Tomor & Tues 7.30: La Traviata. Thurs 7.00: *La Cenerentola.* 104 balcony seats avail. from 10 am on day of perf. Now booking for Oct.

COVENT GARDEN. CC. 240 1066. (Gardencharge Credit Cards 836 6903). 4-22 September. NEW YORK CITY BALLET

SADLER'S WELLS THEATRE. Rosebery Avenue, EC1. 837 1672. Last three perfs. THE SCOTTISH BALLET Evgs. 7.30. Mat tomor. 2.30. Tonight La Sylphide with Fernando Bujones. Vespri. Tomor: Underground Rumours. Seats Still Available. Commencing Sept 5: SADLER'S WELLS ROYAL BALLET.

THEATRES

ADELPHI THEATRE. 01-836 7611. Evenings at 7.30. Mats Thurs at 3.00 and Sat. at 4.00. JOHN INMAN in "GLORIOUS FARCE." Daily Telegraph. CHARLEY'S AUNT

ALBERY. From 8.30 am incl. Suns. 836 3878. CC bookings 836 1071-3. Evgs. 7.45. Thurs. and Sat. 4.30 and 8.00. A THOUSAND TIMES WELCOME IS LIONEL BART'S OLIVER "MIRACULOUS MUSICAL." Financial Times with ROY DOTRICE GILLIAN BURNS, MARGARET BURTON Party rates and student stand-by avail.

ALDWYCH. CC. 836 6404. Inf. 836 5332. Fully air conditioned. ROYAL SHAKESPEARE COMPANY in repertoire. Ton't tomor. 7.30 low-price prevs. Moss Hart and George S. Kaufman's comedy classic ONCE IN A LIFETIME. With: Love's Labour Lost (next perf. 10 Sept.). RSC also at THE WAREHOUSE (see under W).

AMBASSADOR'S. CC. 01-836 1171. Evs 8.00. Fri. and Sat. 5.30 and 8.30. DINSDALE LANDEN, GWEN WATFORD DAVID BURKE, ANGELA DOWN in BODIES "ITS IMPACT HIT ME LIKE A *THUNDERBOLT* FROM JOVE. THE LANGUAGE BLAZES WITH WIT AND INTELLIGENCE AND ITS THEME ELECTRIFIES." Daily Mail. BODIES "WHEN WE HAVE LAUGHED AT ITS WIT, BEEN HELD IN THE GRIP OF ITS DRAMA AND REVELLED IN THE COLOUR AND LAYERS OF ITS ECHO AFTER ECHO IN OUR MINDS AND HEART, DINSDALE LANDEN'S PERFORMANCE IS WORTH GOING MILES TO SEE." Bernard Levin. BODIES "MR. LANDEN GIVES WHAT I INSIST IS THE BEST PERFORMANCE IN A MODERN PLAY NOW TO BE SEEN IN LONDON." E. News.

APOLLO THEATRE. CC. 01-437 2663. *Evs. 8.0. Sat. 5.0 and 8.0. Mat. Th. 3.0.* IAN LAVENDER TERENCE EDMOND JULIA FOSTER in HAPPY BIRTHDAY A VERY FUNNY NEW COMEDY BY THE AUTHORS OF BOEING BOEING. "FEYDEAU LIVES, CA VA!" Gdn. "IT WILL PROBABLY RUN AND RUN." Daily Mail.

ARTS THEATRE. 01-836 2132. TOM STOPPARD'S DIRTY LINEN "Hilarious . . . do see it." Sun. Times. Monday to Thursday 8.30. Friday and Saturday 7.00 and 9.15. NOW IN ITS FOURTH YEAR! Lowest-priced, best seats in London. £4.00, £3.55, £1.60 plus 15p temp. members.

ASTORIA. Charing X Rd. S. CC. 01-734 4291 or 439 8031. Mon.-Thurs. 8 pm. Friday and Saturday 6 and 8.45 pm. LIVE ON STAGE "GREASE" "ENERGY AND VITALITY AND SHEER EXUBERANCE." Daily Express. "GREASE" "AS SLICK, SMOOTH AND SLEEK AS GREASE SHOULD BE." The Sun. Group bookings 01-437 3856. Concessions for Children.

CAMBRIDGE. 01-836 6056. CC. 01-836 7040. Mon. to Fri. 8.00. Th. 3.00. Sat. 5.00 and 8.30. THE HIT BROADWAY MUSICAL GREAT FAMILY ENTERTAINMENT CHICAGO "A TRIUMPH." Gdn. "A HIT." People. CHICAGO "THERE HASN'T BEEN A MUSICAL IN LONDON FOR A LONG TIME THAT COMES WITHIN A MILE OF IT." F.T. CHICAGO "THE BRIGHTEST BOUNCIEST MUSICAL COMEDY IN TOWN." NoW. CHICAGO "WILL BE DELIGHTING LONDON FOR A LONG TIME." Evening Standard. CHICAGO "AN UNDOUBTED SUCCESS." D. Tel. CHICAGO "ALL RAZZLE DAZZLE." E. News. CHICAGO "WIT AND STYLE." Daily Express. CHICAGO "THERE IS NO COMPARABLE MUSICAL IN LONDON TODAY." S. Telegraph. CHICAGO "A SUPER EVENING'S ENTERTAINMENT." Sunday Express. CHICAGO "A THOUSAND WELCOMES . . . IT WOULD BE A CRIME TO MISS IT." Daily Mirror. Reduced prices for Groups. 01-836 6056 and 01-437 3856. Student Standby £1.50.

COLLEGIATE THEATRE. 01-388 7824. 387 9629. Tom Stoppard's latest play DOGG'S HAMLET CAHOOT'S MACBETH by the British American Rep Co. World Premiere tour. Must go to U.S. Sept. 2. "Funny—knockabout farce." "Impressive—funny—slabs of Shakespeare which chill the blood." D. Tel. "Inspired compression of the tragedies." Fin. Times. "Zany farce — unrelenting jokes." "Ingenious—beautiful scholarly jape." "Lightning Cartoon Hamlet."—Gdn. "Comic triumph."—E. News. "Splendid intellectual slapstick."—E. Standard.

COMEDY THEATRE. CC. 01-930 2578. Mon.-Sat. 9.00. Mats. Fri. & Sat. 6.30. THE ONLY ROCK 'N' ROLL SHOW *THE ROCKY HORROR SHOW*

CRITERION. From 8.30 am incl. Suns. 930 3216. CC bookings 836 1071. Mon.-Thurs. 8. Fri. and Sat. 5.30 & 8.30. IAN McKELLEN, TOM BELL "I DOUBT THAT THERE ARE TWO FINER PERFORMANCES IN LONDON." Punch BENT by Martin Sherman. Directed by Robert Chetwyn "FASCINATING . . . A WORK OF CONSIDERABLE DIGNITY AND PASSION." Guardian.

DUCHESS. 01-836 8243. Mon. to Thurs. Evs. 8.00. Fri. and Sat. 5.30 and 8.15. OH! CALCUTTA! *"The nudity is stunning." Daily Mail.* 10th INCREDIBLE YEAR.

DRURY LANE. CC. 01-836 8108. Evs. 8 pm. Friday and Saturday at 6 pm and 8.45 pm. The Rio Extravaganza BRASIL TROPICAL "The dancers vibrate, oscillate and pulsate while topless, yet retaining their *baubles, bangles and beads.*" Ev. News. By popular demand season extended to September 8th.

DRURY LANE. CC. 01-836 8108. Opens September 25th. Previews from SEPTEMBER 21st CAROL CHANNING in HELLO DOLLY! with Eddie Bracken. Box Office now open. GROUP BOOKINGS 01-734 2293

THEATRES

FORTUNE. 836 2238. Evgs. 8.00. Mats. Thurs. 3.00. Saturdays 5.00 and 8.00. AGATHA CHRISTIE'S MURDER AT THE VICARAGE FIFTH GREAT YEAR

GARRICK. CC. 01-836 4601. Evs. 8.00. (Sharp) Wed. 3.00. Sat. 5.30 and 8.30. GARETH HUNT in IRA LEVIN'S DEATHTRAP "BEST THRILLER." Daily Telegraph. "VERY INGENIOUS. VERY FUNNY. VERY EXCITING." Fin Times.

GLOBE THEATRE. CC. 01-437 1592. Mon. to Fri. Eve 8.00. Mats. Wed. 3.00. Saturday's 6.00 and 8.30. ANTON RODGERS GEMMA CRAVEN DIANE LANGTON ANDREW C. WADSWORTH DAVID HEALY in SONGBOOK A new musical by MONTY NORMAN and JULIAN MORE "A TOUCH OF MUSICAL MAGIC." NoW. "THIS STUNNING OCCASION THE BEST BRITISH MUSICAL OF THIS YEAR AND A FEW GONE BY." FIN. TIMES. "VERY FUNNY, OFTEN HILARIOUS. RECEIVED WITH DELIGHT." EVG. STAND. "THE CAST IS BRILLIANT." EVG. NEWS.

GREENWICH THEATRE. CC. 01-858 7755. Evgs. 8.0. Mats Sats 3.30. John Barron, Lorraine Chase, Annette Crosbie, Gerald Flood, Simon Grimes, Miriam Karlin, Kenneth Williams in THE UNDERTAKING by Trevor Baxter.

HAYMARKET. CC. 01-930 9832. Evenings 8.00. Wed. 2.30. KEITH MICHEL SUSAN HAMPSHIRE in THE SHERLOCK HOLMES MYSTERY THE CRUCIFER OF BLOOD by PAUL GIOVANNI "This kind of spectacle I cannot recall since boyhood . . . terrific stuff." News.

HER MAJESTY'S. CC. 01-930 6606. Evenings 8.00. Fri., Sat. 5.15 and 8.45. AIN'T MISBEHAVIN' The New Fats Waller Musical Show "A RIOTOUS HIT." Daily Mail. "JUBILANT. THE BEST PERFORMANCE OF ANY MUSICAL IN LONDON." Obs. LAST 2 WEEKS. ENDS SEPT. 8.

KING'S HEAD. 226 1916. Dinner at 7.30. Show at 8.30. FIFTY WORDS: BITS OF LENNY BRUCE "SHEER BRILLIANCE." Time Out. "AN EVENING OF SOCK REVERBERATIVE RICHNESS. LAUGHTER AND DELIGHT." Guardian. "WITTY, PROVOCATIVE SHOW." E. Std. "A FUNNIER EVENING THAN I COULD EVER IMAGINE SPENDING WITH LENNY BRUCE HIMSELF." What's On.

LYRIC THEATRE. CC. 01-437 3686. Evgs. 8.00. Mats. Wed. and Sat. 3.00. JESSICA TANDY HUME CRONYN in the Award-winning Comedy THE GIN GAME Directed by MIKE NICHOLS From Broadway. Limited Season. "TWO RARE AND SUPREME PERFORMANCES." Guardian. "EXTREMELY FUNNY." New Yorker.

MAYFAIR. 01-629 3036. Evenings 8.00. Sat. 6.00 and 8.45. A DAY IN HOLLYWOOD A NIGHT IN THE UKRAINE A MUSICAL REVUE "Superlative non-stop comedy." E. News. "Laugh riot . . . sheer fun . . . not to be missed." S. Express. "The funniest script the Marx Brothers never wrote." Daily Mail.

NATIONAL THEATRE. 'S' CC. 928 2252. OLIVIER (open stage): Ton't 7.30. Tomor 2.45 & 7.30 AS YOU LIKE IT by Shakespeare. LYTTELTON (proscenium stage): Ton't 7.45. Tomor 3.00 & 7.45 FOR SERVICES RENDERED by W. Somerset Maugham. COTTESLOE (small auditorium): Mon. to Sat. at 8.00 WINGS by Arthur Kopit. Excellent cheap seats from 10 am day of perf. all 3 theatres. Car park. Restaurant 928 2033. Credit card bookings 928 3052. Air conditioning.

OLD VIC. 01-928 7616. OLD VIC COMPANY Michael Thomas and Janet Maw as ROMEO & JULIET Evgs. 7.30, Wed. and Sat. mats 2.30. THE GOVERNMENT INSPECTOR opens August 29. PADLOCK MISS IN HER TEENS opens September 25. WHAT THE BUTLER SAW opens October 17. THE 85 World Premiere November 7.

PALACE. CC. 01-437 6834. Mon.-Thurs. 8.00. Fri., Sat. 6.00, 8.40. JESUS CHRIST SUPERSTAR by Tim Rice and Andrew Lloyd-Weber.

PALLADIUM. CC. 01-437 7373. YUL BRYNNER in Rodgers and Hammerstein's THE KING AND I Also starring Virginia McKenna HOTLINE 01-437 2055. Evenings 7.30. Mats. Weds. at 2.45.

PHOENIX THEATRE. CC. 01-836 2294. Evs. 8.00. Wed. 3.00. Sat. 5.00 & 8.30. MAGGIE SMITH, PATRICK MOWER in NIGHT AND DAY A new play by TOM STOPPARD Directed by Peter Wood. BEST PLAY OF THE YEAR Evening Standard Drama Award.

PICCADILLY. From 8.30 am incl. Suns. 437 4506. CC bookings 836 1071. Evs. 8. Thurs 3 and 8. Sat 5.30 and 8.30 PETER BARKWORTH HANNAH GORDON in Brian Clark's new play CAN YOU HEAR ME AT THE BACK? "WONDERFUL PLAY WITH WONDERFUL PERFORMANCES." NoW. "ARTICULATE AND WITTY." D. Exp. "A SUPERBLY ABSORBING PIECE OF ENTERTAINMENT." The Sun.

PRINCE EDWARD. CC. 01-437 6877. Evenings 8.00. Mats. Thurs., Sat. 3.00. EVITA by Tim Rice and Andrew Lloyd-Webber. Directed by Harold Prince.

PRINCE OF WALES. CC. 01-930 8681. Card bookings 930 0846. Mon., Thurs. 8.00. Fri. & Sat. 6.00 & 8.45. Michael Denison, Dulcie Gray ALAN AYCKBOURN'S smash-hit comedy BEDROOM FARCE "If you don't laugh, sue me." D. Exp. A National Theatre Production. Over 500 Performances.

QUEEN'S THEATRE. S. CC. 01-734 1166. LAST PERFS Ton't 8. Tomor 5 & 8.15. Mat. 3.00. GEMMA JONES PATRICIA ROUTLEDGE "AND A NIGHTINGALE SANG" The new comedy by C. P. TAYLOR. "WARM AND AFFECTIONATE." Listener "FUNNY AND TOUCHING." D. Mail. "SUPERB." D. Exp.

QUEEN'S THEATRE. S. CC. 01-734 1166. Reduced price prevs. from Tues at 8.00. Sat. 5.00 and 8.15. Opens Sept. 11. Julia McKenzie, Maureen Lipman *in a comedy by Richard Harris* OUTSIDE EDGE "A PERFECT MATCH FOR THE WEST END. FRESH, FUNNY & INGENIOUS." D. Mail. "QUITE SPLENDID." S. Exp. OUTSIDE EDGE "THIS EXCELLENT COMEDY." Standard.

RAYMOND REVUEBAR. CC. 734 1593. At 7.00, 9.00, 11.00 pm. Opens Suns. PAUL RAYMOND presents THE FESTIVAL OF EROTICA 22nd sensational year. Fully air-conditioned.

ROYAL COURT. 730 1745. Prevs. Evs. 8.00. Opens Wed. 7.00. Subs. Evgs. 8.00. THE GORKY BRIGADE by Nicholas Wright.

ROYAL COURT THEATRE UPSTAIRS. 730 2554. Evgs. at 7.30 CARNIVAL WAR a GO HOT by Michael Hastings. "The best English costume farce . . . stunningly evocative." F. Times.

ST GEORGE'S—The ONLY ELIZABETHAN TH. Tufnell Park Rd. N7. 607 1128. Evgs. 7.30. Ton't. Tomor. JULIUS CAESAR Mon. next to Sat. AS YOU LIKE IT 24-hour booking service.

THEATRES

ST. MARTIN'S. Credit cards 836 1443. Evgs. 8. Mat. Tues. 2.45. Sat. 5 and 8. AGATHA CHRISTIE'S THE MOUSETRAP WORLD'S LONGEST-EVER RUN 27th YEAR.

SAVOY THEATRE. 01-836 8888. Credit cards 01-734 4772. "BILL PATTERSON . . . one of those rare young lions of British Theatre." F.T. WHOSE LIFE IS IT ANYWAY? PLAY OF THE YEAR by Brian Clark. "Momentous play. I urge you to see it." Guardian. Evgs. 8. Sat. 5.45 and 8.45. Red. price Matinee Wed. 3.00. 2nd GREAT YEAR.

STRAND. 01-836 2660. Evenings 8.00. Mat. Thurs. 3.00. Sats. 5.30 and 8.30. NO SEX PLEASE—WE'RE BRITISH LONGEST RUNNING COMEDY IN THE WORLD.

TALK OF THE TOWN. CC. 01-734 5051. AIR CONDITIONING. CREDIT CARDS CELEBRATING 21 YEARS From 8.00: Dining and Dancing 9.30: SUPER REVUE BUBBLY At 11: HELEN GELZER

VAUDEVILLE. CC. 01-836 9988. Evs. 8. Mat. Wed. 2.45. Sat. 5 and 8.30. EDWARD FOX in THE FAMILY REUNION by T. S. ELIOT "Sheer magic." Financial Times. "This is Eliot's greatest play." D. Tel. This Theatre is fully air-conditioned.

VICTORIA PALACE. CC. 01-828 4735-6. 01-834 1317. Evgs. 7.30. Mats. Wed. and Sat. 2.45. ANNIE "BLOCKBUSTING SMASH-HIT MUSICAL." Daily Mail. Best Musical of the year 1978. E. Stand.

WAREHOUSE. Donmar Theatre. Covent Garden. Box Office 836 6808. Royal Shakespeare Co. Ton't. tomor. 7.30 and next week Howard Brenton's SORE THROATS. "Powerful." Time Out. (Not suitable for children). All seats £2.10, students £1.10. Adv. bkgs. Aldwych.

WESTMINSTER. CC. S. 01-834 0283. Evgs. 7.45. Mats Wed. and Sat. 3.00. GILBERT and SULLIVAN'S THE MIKADO "The best Mikado I've seen." What's On. "A surprise and a delight." The Stage. Tickets £3.25, £4.25, £5.25. JOSEPH AND THE AMAZING TECHNICOLOUR DREAMCOAT Nov. 1st-Jan. 19th. Book yesterday. Ring 01-834 0283.

WHITEHALL. CC. 01-930 6692-7765. Monday to Thursday 8.00. Fri. and Sat. 6.10 and 8.50. IPI TOMBI "It's a footstamping, pulsating action-packed African musical." News of World FOURTH GREAT YEAR.

WINDMILL. CC. 01-436 6312. Twice nightly at 8.00 and 10.00. Suns. 6.00 and 8.00. Paul Raymond presents RIP OFF. The erotic experience of the modern era. Fourth great year. Now showing new second edition. New girls, new acts, new production.

WYNDHAM'S. From 8.30 am incl. Suns. 01-836 3028. Credit card bkgs. 836 1071. Mon.-Thurs. 8.00. Fri. and Sat. 5.15, 8.30. "ENORMOUSLY RICH" Mary O'Malley's smash-hit comedy ONCE A CATHOLIC "Very funny." Evening News. "Surefire comedy of sex and religion." Daily Tel. "MAKES YOU SHAKE WITH LAUGHTER." Guardian.

YOUNG VIC. 928 6363. Opens 12 Sept. HAMLET. Book Now.

CINEMAS

ABC 1 & 2 SHAFTESBURY AVE. 836 8861. Sep. Perfs. ALL SEATS BKBLE. 1: THE DEER HUNTER (X). Wk. & Sun. 2.15, 7.50. 2: THE MAIN EVENT (AA). Wk. & Sun: 2.00, 5.00, 8.05. Late show Sat. 11.10.

CLASSIC 1, 2, 3, Haymarket (Piccadilly Circus Tube). 01-839 1527. 1: J. R. R. Tolkien's THE LORD OF THE RINGS (A). In Dolby stereo. Progs. 12.30, 3.05, 5.45, 8.30. 2: George Hamilton LOVE AT FIRST BITE (AA). Progs. 1.25, 3.40, 6.00, 8.20. 3: Kurt Russel ELVIS—THE MOVIE (U). Progs. 12.10, 2.25, 5.15, 8.05.

CLASSIC 1, 2, 3, 4, 5, *Oxford Street.* 636 0310 (Opp. Tottenham Court Rd Tube). 1: Woody Allen MANHATTAN (AA). Progs. 12.50, 2.50, 4.50, 6.50, 8.50. 2: QUADROPHENIA (X). Progs. 1.30, 3.45, 6.10, 8.35. 3: J. R. R. Tolkien's THE LORD OF THE RINGS (A). Progs. 1.00, 3.25, 5.50, 8.20. 4: Barbara Streisand, Ryan O'Neill THE MAIN EVENT (AA). Progs. 1.19, 3.40, 6.00, 8.20. 5: PORRIDGE (A). TO RUSSIA . . . WITH ELTON (U). Sep. perfs. 2.00, 5.15, 8.00.

CLASSIC. Leicester Square. 930 6915. Alec Guinness, Mark Hamill STAR WARS (U). Progs. 12.30, 3.00, 5.30, 8.00. Reduced prices for children.

CLASSIC POLY. Oxford Circus (Upper Regent St.). 637 9863. THE MUPPET MOVIE (U). Progs. 1.20, 3.35, 5.55, 8.10. Reduced price for children.

CURZON, Curzon Street, W1. 499 3737. Fully Air-conditioned. LEE REMICK in THE EUROPEANS (U). Progs. 2.00 (not Sun.), 4.00, 6.20, 8.40. "As near perfection as one could wish . . . *a treat of a film.*" Alexander Walker, Evening Standard.

LEICESTER SQUARE THEATRE. 930 5252. THE CHINA SYNDROME (A) Sep. progs Dly. 1.15, 4.45, 8.15. Late Night Show Fri & Sats 11.45 pm. Seats bkble at Box Office or by post for 8.15 prog Mon-Fri. & all progs Sat. & Sun. No late Show bookings.

ODEON LEICESTER SQUARE. 930 6111. MOONRAKER (A). Sep. perfs. Wks. doors open 1.00, 4.20, 7.45. Sun. doors open 3.00, 7.45. Late Night Show Fri. & Sat doors open 11.15 pm. All seats bkble in advance at Box Office or by post.

ODEON MARBLE ARCH W2 723 2011-2. MOONRAKER (A). Sep. perfs. Wks. doors open 1.00, 4.20, 7.45. Sun. doors open 3.00, 6.45. Late Night Show Fri. & Sat 11.15 pm. Evening perf. and weekends bkble in advance.

PRINCE CHARLES. Leic. Sq. 437 8181. World Premiere Presentation EAGLE'S WING (A). Sep. perfs. dly. (inc. Sun.) 2.45, 5.55, 8.35. Late Show nightly 11.15. Seats bkble. Lic'd Bar.

STUDIO 3, Oxford Circus. 437 3300. Lic'd Bar. THE DEER HUNTER (X). 12.45, 4.05, 7.30. Late Show Sat. 10.45.

PERSONAL

THE ARTS

هكذا من الأصل

Lorraine Chase and Kenneth Williams

Leonard Burt

Greenwich

The Undertaking

by B. A. YOUNG

The undertaker of the title is Kenneth Williams, in one of the shortest and least funny parts he has played for a long time. He runs an eccentric burial parlour, where corpses are rescued from their coffins and embalmed in the image that would most have pleased them in their life. All this offstage, however. We only hear about it because when the wistful girl Dawn (Lorraine Chase) arrived in his workshop she was still alive.

Dawn was the mistress of composer David Wilton (Steven Grives), for whom she represented the "soul" of the symphony he has been commissioned to write for Europe. When she died, David invited his two brothers and their wives to "a family funeral" without mentioning whose funeral it was. None of them even asked until the service was over, and apparently the parson did not include the information in his rubrics.

It is this kind of indifference to truth that, as far as I am concerned, deprives Trevor Baxter's play of any hint of conviction. Later on, for example, Sir Paul Wilton, having been denied a car by the undertaker, who is apparently expected to be able to provide transport as well as mummification, says his only alternative is to telephone the police. I would have said that his most useful alternative was to telephone a taxi rank.

There is a wisp of plot that concerns David's resolution to cancel the performance of his symphony now that he finds Dawn alive. Why he should do so is not clear, but then his motives never are. When he and Dawn were living together, he composed like anything, but suddenly he found he could only go on if he turned her away. He did turn her away, she took an overdose, and although he was anxious to have her interred in style her death apparently kept the music sparking. Only when she came to life again was there a risk of failure.

Both the brothers, Sir Paul (John Barron) and Frank (Gerald Flood), believe that if the symphony is cancelled it will ruin their careers. Their respective wives pass the time in sitting at Dawn's bedside and making tactless promises to her. The undertaker responds to all their arguments with floods of pseudo-philosophy equating our legal processes with the relationship of the rich with their servants. Mr. Williams, immaculate in a black tailcoat, keeps a straight face, though he sometimes looks as if he would rather break out into a television commercial jingle. The other men only shout. As the author has done little in the way of character-drawing, it doesn't matter which shouts what. Miriam Karlin does at least try to infuse a touch of character into Frank's wife Ernestine, but to no avail.

All the family leave at the end, cars having no doubt materialised, and the undertaker is left alone with Dawn. "Are you going to want to have me?" she asks him. "Once you're dead," he replies, no doubt symbolically.

The director is Donald McKechnie, who really must get those men to lower their voices a bit. The charming ecclesiastical set is by Saxon Lucas.

Donald Sinden to open RSC's new London Bookshop

Donald Sinden will open the Royal Shakespeare Company's new London Bookshop next Monday, September 3 at 6.00 pm. Situated next door to the Aldwych Theatre it is the RSC's first bookshop in London.

It will be selling such items as original production photographs and costume drawings, RSC calendars and diaries and RSC production posters (and framing kits).

Cinema—Edinburgh Film Festival

Hitting the Jackpot

by NIGEL ANDREWS

You will suspect that I have shares in the Edinburgh Film Festival if I trumpet its praises yet again, sounding an even louder note than last year. But the festival continues to provide such astonishing value for its less-than-shoestring budget that I sometimes believe the entire British economy should be put in the hands of festival director Lynda Myles and her miracle-working cohorts.

Once again Edinburgh's far-divided cinemas necessitated long walks, costly taxi-rides or Noah's Ark journeys in the film festival minibus. But once again the effort was ungrudged because the cinematic incentives at the other end were so strong, the proliferation of hospitality and information around the festival so unstinting.

The British movies on show, as if sea-changed by Edinburgh's proselytising enthusiasm, were better than at any other festival this year (or any previous year at Edinburgh for that matter). I have waxed eulogistic about *Quadrophenia* already in these pages, but Kenneth Loach's *Black Jack* and Derek Jarman's *The Tempest* also impressed and excited, stealing much of the thunder normally reserved at Edinburgh for pyrotechnic new movies from America.

Black Jack came to Scotland already garlanded with praise—and a prize—from the Cannes Film Festival. If the name Kenneth Loach spells out dour proletarian realism to you—he made *Poor Cow*, *Kes* and *Family Life*—then adjust your preconceptions. *Black Jack* is a children's story set in 18th Century England and juggling with such unlikely components as fairground dwarves, itinerant quacks, orphaned children and a French giant (the Black Jack of the title). Loach's long absence from the big screen has clearly been a rest-cure. He has stormed back minus the social preachiness of yesteryear and plus a new and rejuvenating humour. The characters walk and talk with an off-the-cuff freshness that flirts with, but never falls into, anachronism. And although there is a hint of class-war propagandism in the film—the baddies are nearly all aristocrats or bourgeoisie, the goodies are mostly peasants — the weight of the message never capsizes the buoyant momentum of the story.

I was second to few in my resistance to Derek Jarman's last film *Jubilee*, a lurid and over-seasoned *ragout* of Campery, Punkery and Warhol-iana that should have passed out indigestion powders with its press hand-out. But Jarman's new film, a movie version of Shakespeare's *The Tempest*, is the perfect answer to critics too hasty to write off Jarman's rococo *dementia* of a talent. The ready-built parameters of Shakespeare's play keep that talent for once within a coherent, shapely arena, while still allowing it sufficient space to whir and spark in razzle-dazzle patterns.

Prospero's "island" has here become a gewgaw-crammed and sumptuously decaying stately home (somewhere in North England), and Heathcote Williams as the brooding philosopher-Duke holds sway over a rumbustiously obscene Caliban (Jack Birkett of the Lindsay Kemp troupe), a white-jumpsuited Ariel (Karl Johnson) and a perky, coquettish Miranda (Toyah Willcox). Hugely enjoyable, visually a feast, and always intelligent in its reinterpretation of Shakespeare, Jarman's film should be seen and fêted in London without delay.

There was also a disappointment among the new British movies. Chris Petit's *Radio On* has been touted for many months as the British cinema's first and eagerly-awaited road movie. It was made on a pittance budget and tells of a young man's journey from London to North England to investigate his brother's mysterious death. The cross-section of spiritual orphans he meets on his travels—ranging from a soldier from Northern Ireland to a German girl with a broken marriage — challenge but fail to catalyse his inability to communicate. The film's associate producer was Wim Wenders, the German director whose movies (notably *Kings of the Road*) clearly found an answering cord in Petit and whose spirit haunts *Radio On*. But while some scenes in the movie hit a nerve and haunt the mind (it is beautifully photographed in black-and-white by Martin Schafer) too much of it lies across the screen like a half-etherised slab of *angst*, richer in pretension than in achievement.

A fresh wind from the East blew into Edinburgh this year, in the shape of two films by the Hong Kong director King Hu. Hu's famous *A Touch Of Zen* was seen in London four years ago and showed Westerners that there could be more to Hong Kong cinema than the yowls, grimaces and jaw-smashing kicks of Bruce Lee. His new films, *Legend of the Mountains* and *Raining In The Mountains*, carry on the evangelistic work.

Made back-to-back in exotic locations in Korea, these epic period tales of feuding ghosts and intrigue-ridden monasteries have a dazzling beauty. Hu uses the wide screen for all the panoramic power it is worth, and he deploys the traditional Peking Opera-style fight scenes — aerial leaps, wind-flapping costumes, the balletic violence of limbs and weapons — not as a *divertissement* for flagging moments but as integral climaxes in a subtly developed story. King Hu's work has gone far beyond the stage of having to be judged within the context of Hong Kong cinema. It is world-class movie-making and it deserves a world-wide audience.

American movies, meanwhile, usually an undislodgable cornerstone of the Edinburgh Festival, this year showed signs of slipping from place. The annual contingent of independent films and the lively, low-budget exploitation movies from the U.S. were both smaller and less impact-ful than hitherto. Neither Alan Arkrush's *Rock 'n' Roll High School*, for example, a Z-movie pastiche of *Grease*, nor Dusty Nelson's *Effects*, an inept and penny-dreadful horror movie, had the vitality and pungency of John Huston's tale of religious salesmanship down South, *Wise Blood*, which I praised from Cannes and which made a welcome reappearance at Edinburgh.

From the tombola of European films at the Festival you could have picked any of the following and found the cost of a ticket just about worthwhile. Eduardo de Gregorio's slow but beguiling *La Memoire Courte*, set in Paris, is an art-movie answer to *The Boys From Brazil* and *Marathon Man*: portraying its Nazi war-criminal villain not as a Hollywood ogre but as an "ordinary," incognito businessman found at the end of a winding trail of Kafka-esque mystery.

Krzysztof Zanussi's *Night Paths* is the deftly scripted tale of a wartime romantic *entente* between a Nazi officer (Matthieu Carrière) and a Polish Baroness (Maja Komorowska) in occupied Poland: and of their doomed attempt to clear a space for love and intellectual sympathy amid the ever-conglomerating debris of war.

The pick of the European films, though, was Rosa Von Praunheim's *Army of Lovers*. There is something about making a gay documentary that brings out the best and the worst in film-makers. Discretion and proportion are thrown to the winds, and personal prejudice and erratic humour rush into replace them.

In Herr Von Praunheim's film (the Rosa is strictly misleading) a nationwide survey of homosexual movements in modern America is interspersed with scenes of hilariously questionable relevance in which our director lends his own presence to demonstrations of gay mating habits. Our censor may or may not take kindly to these, but I wish he could give *Army of Lovers* as a whole consideration. The film may be all-over-the-place both as a work of documentary and a work of art: but it is hard to resist its vitality and its euphoric championing of both the real and the ideal in gay life.

Frank Langella in "Dracula," which opened in London this week and will be reviewed next week by Nigel Andrews

Albert Hall/Radio 3

Kullervo

by RONALD CRICHTON

Sibelius wrote his big programme symphony *Kullervo* in the early 1890s, when he was still under 30. In spite of initial success, he put it away. Though significantly he did not destroy it, he only allowed one performance, of the central movement on its own, during his long lifetime. Towards the end it seems that he softened to the extent of allowing his son-in-law Jussi Jalas to perform the whole work after his death. This was duly done, though it took *Kullervo* another 12 years to reach Britain, in the edition of Paavo Berglund used at Wednesday's Prom by Rozhdestvensky and the BBC Symphony Orchestra.

The symphony is in five movements generously laid out for full orchestra, male-voice chorus (heard in the third and fifth movement with mezzo and baritone solos third movement only). The subject matter comes from the *Kalevala* epic and concerns the hero Kullervo, yellow-haired and blue-stockinged, who had the misfortune while unaware of her identity, to seduce his own sister. The score is remarkable, among other things, for the way it foreshadows future developments—more closely in fact than the First and Second Symphonies which were to follow in a few years. One detail not typical of later procedures is the magnificent, long-limbed theme presented in full at the opening, but there are also ostinatos with a strange power of propulsion, mysterious shadows and chilling dissonance.

No less interesting is the writing for voices, both for the soloists, representing Kullervo and his sister, and for the chorus. These pages seem to lead in directions that Sibelius preferred not to follow (perhaps if we are allowed another time to hear his few subsequent choral works, we shall find that this is not entirely true). There are, as one might expect in an early work, awkward things. The second movement, "Kullervo's youth," an extended lullaby, nearly goes on too long for its strong but simple character. The fourth, "Kullervo goes to battle," was surely added because Sibelius rightly thought that in a work on so large a scale there must be some change of mood and scene between the incestuous climax and the finale, in which Kullervo kills himself for shame.

Though Wednesday's performance did not quite achieve the flow, excitement and warm conviction of Berglund's with the Bournemouth Symphony, there were striking moments. The "Youth" movement and the finale had the firm outlining and precision of touch at which Rozhdestvensky excels. There were also dull ones, some of them in the third movement, when the men of the London Voices appeared ready to flag, and in the fourth, which came out on this occasion as mild as some of the master's suites of incidental music. The soloists, both from Finland, were Usko Viitanen as Kullervo and Heliä Angervo as the sister: she opened up finely in her long lament.

St. John's, Smith Square

Hong Kong Youth

by NICHOLAS KENYON

Over half the population of Hong Kong is under 25, claimed the programme for Wednesday night's remarkable and extended event at St. John's (the climax of a month-long visit by two Hong Kong orchestras to this country). Whether the statistic is significant or not I cannot tell, but this tiny Crown Colony is certainly enjoying a musical renaissance of great vigour, especially in the field of youth music-making. Since a Musical Administrator was appointed in 1977, there has been much activity: some seven youth orchestras are now established in Hong Kong, performing both on traditional and modern instruments.

Wednesday's concert brought together the Youth Symphony Orchestra (playing Western music) and the Youth Chinese Orchestra, which treated us to a varied display of traditional skills. There was a group of solos: the powerful, brittle twanging of the pi-pa in *Shi Mian Mai Fu*; the lovely buzzing of the er-hu in a sort of Chinese *Lark Ascending*; and the dour moaning of the ancient ku-chin in *You-lan* (The Orchid), a first century AD melody based on a haunting nine-tone scale.

Then there were some more jovial numbers for the whole blue-coated array of instrumentalists (curiously segregated by sex, as if certain instruments were for males or females only): old folk songs in modern guise, we were told, cymbals clashing, wind wailing, strings with that distinctive cutting edge to the sound — arranged with gusto and brilliance and thoroughly 20th-century flamboyance; perilously close to Mantovani, or at least to Malcolm Arnold.

And at the end of the evening, a complete mime/ballet, *Monkey King*, which the orchestra had enterprisingly worked up for this tour in collaboration with a most talented group of Chinese dancers from Liverpool — a symbolic tale of monkeys, monks and demons, superbly costumed, danced with inventive skill, and provided with more worryingly westernised, fluently filmy music.

We could enjoy all this without too many worries or reservations; but the large Symphony Orchestra which began the concert had a harder task to persuade us. Under the well-known English educationalist (and now consultant to the Hong Kong Government) David Stone, they gave a bitty yet demanding programme: Walton, Pachelbel, Milhaud, Delius. Stiffly directed, they played stiffly; so that in spite of some individually fine contributions there was a curious incoherence in the end product—the percussion solo too recessed in Milhaud's Concerto, the lines un-moulded and lumpy in the Delius. Better to have given us some of the Chinese repertory: there is clearly a wealth of enthusiasm and talent in these players which needs to express itself in music where it feels at home.

Arts Council theatre directors' bursaries

The Arts Council has made ten awards to young directors to enable them to further their training in the theatre. Five awards go to trainee directors who will be working for one year with a company by whom they are adopted, and five go to associate directors to enable them to work for up to a year with a company by whom they are sponsored.

The trainee directors are: Anne Castledine (38) who will be working with Michael Winter at the Theatre Royal, York; Rupert Creed (23) with Mike Bradwell at Hull Truck Theatre Company; John Ratallack (28) with Michael Bogdanov at the Young Vic; David Fleeshman (26) with Kenneth Alan Taylor at the Coliseum Theatre, Oldham; Alby James (24) with Stuart Burge at the Royal Court Theatre, London.

The associate directors are: Tim Gatti (29) with Perspectives Theatre Company, a Theatre in Education company based in East Anglia; Julie Holledge (28) with Women's Theatre Group; Janet Marshall (32) with Richard Gill at Polka Children's Theatre in Wimbledon; David Thacker (28) with Howard Lloyd Lewis at The Duke's Playhouse, Lancaster; Phil Young (29) with Pedr James at the Liverpool Everyman.

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Test for the job market

AFTER ONLY seven months, 1979 is already established as the worst year for labour disputes since 1972. Since existing disputes in engineering and the motor industry are still in their early stages, and there are many potential disputes to come in the new wage round beginning in October, it is clear that the margin over last year is likely to be very large — perhaps a hard winter in private industry, and perhaps public industry, after the last hard winter in the public and transport services.

Adjustments

It is conventional to deplore such a state of affairs, and complain there must be a less destructive way of establishing wages and conditions of work, and every sensible person on either side of industry must support this as a long-range objective. However, the labour market is still in the second stage of a violent adjustment to realities which have altered radically. It seems probable that this adjustment simply *cannot be made peacefully;* indeed, the outcome of the disputes this winter may go a good way to determine whether it can be made at all. It is as well to understand what is at issue and what is at stake.

The issues are complicated. Negotiators face two sets of realities, which sometimes point to opposite conclusions. First, we are still in the process of unwinding the distortions *caused by a rigid incomes* policy and its subsequent messy collapse.

Ranking

This means that a number of important groups feel aggrieved because the settlements they achieved last year, which appeared a victory for militancy when measured against Labour's five per cent norm, have proved well below average in the event. Some of these groups have seen little or none of the general increase in real incomes which has supported consumer spending in the first half of this year. In many case employers recognise the need for adjustment simply in *order to restore their customary* ranking in the market. This means that some offers—for example the offer already made by Vauxhall—will appear unrealistically large measured against the pressures of competition.

These pressures provide the *second set of realities. In many* cases industries are simply in no position to grant ambitious claims, even where these might be felt in some sense to be just, unless corresponding improvements in productivity can be achieved. Again, the Vauxhall dispute provides an example. The company made a loss last year despite a retrospectively modest settlement, and is therefore insisting on improved performance. In many cases, settlements will have to be modest almost regardless of performance, such are the pressures of competition.

What is really at stake, quite apart from the accidents of relativities and depression in particular markets, is whether the settlements process can be made responsive to these outside realities, and especially to *the competitive pressures which* are likely to persist as a result of sterling oil strength.

In essence, this is a battle against the militants, rather than against a central union leadership which is generally more sensitive to economic issues than the shop floor. In *some companies and industries* the militants have built up a solid following through years of consistent success in winning concessions. It may, therefore prove that those who have been weakest in the past will have the hardest struggle to survive. Militant unreason can only be defeated when it is unsuccessful.

Intolerable

This battle must be won, and preferably won reasonably soon, if a free market in labour is to survive; for while it is possible for a government to allow some *groups to over-price themselves* into unemployment and so provide an example of realities at work, a general trend to unrealistic settlements could pose an intolerable dilemma. The union leaders who forecast an official freeze within months well understand this.

This would be a grave defeat, for a functioning labour market is an essential element in economic growth, the source of incen*tive and the agent of constructive* change and mobility. Fortunately the pressures of strong sterling and a probable demand recession provide the most powerful of arguments for realism.

The threat of foreign competition is vivid, and an interruption to output is tolerable when demand is well below capacity. If the result is that negotiators on both sides talk in terms of what can be earned in the market, and forget any idea of a "going rate"—which has been going in all directions *—or of matching inflation as a* minimum, which is the way to perpetuate it, then we will suffer disruption in a worthwhile cause.

The Caribbean needs help

THE DANGEROUS hurricane that is currently sweeping across the Caribbean menacing life and property may be seen *as an unhappy parallel* to the political and economic storms which beset the region. Over the past year, but increasingly in the past few weeks, news has come from the area of unrest and crisis.

In Guyana the increasingly authoritarian tendencies of the *Prime Minister,* Mr. Forbes Burnham, have heightened the unhappiness of many Guyanese with his rule. The results of *the referendum held in July* last year and of previous parliamentary elections are widely regarded as questionable.

Fraud

Though Mr. Burnham has claimed that the voting confirmed that he still enjoyed overwhelming support in the country, evidence that his ruling People's National Congress either committed or condoned fraud is strong. The fact that he had to cancel his visit to Lusaka for the Commonwealth Conference earlier this month because of domestic unrest *illustrates the seriousness of the* situation in Georgetown.

Inevitably there is speculation that Mr. Burnham's opponents *may be tempted to follow the* example set in March in Grenada where Sir Eric Gairy, whose rule bore striking parallels to Mr. Burnham's, was overthrown in a military coup d'état by the forces of the centre left.

This year has also seen trouble and confusion in Dominica and — as if to underline the fact that regional political crises are not the monopoly of the Commonwealth Caribbean — in the French Caribbean territories.

Independence

These local troubles have been given a growing international dimension by the fact that *many mini-states,* some with populations of no more than 100,000, are acceding to full independence from Britain and gaining votes at the United Nations and other international bodies. What is more the U.S. understandably regards the *region as very important from* the strategic point of view.

The political imbroglios of the area have been exacerbated by the economic situation in most of the countries. Apart from Trinidad and Tobago, which is a major oil and gas producer, they have been gravely hurt by the rise in the price of oil imports. At the same time the demand for their goods and services, from tourism to *sugar and bauxite, has been* slackening. The economic fate of much of the region hangs by a thread.

In this context the cries of distress and the accusations of Cuban mischief-making which have been heard in the developed world as the news of unrest and crisis comes from the Caribeban must give way to something more constructive and realistic.

Lending

The continuing precariousness of the economic life of much of the Caribbean precludes any genuine and lasting political stability. If Europe and the U.S. want calm in the region they must be prepared to put more financial and technical resources there. The lending agencies, while exercising prudent control over borrowing, *must take account of the* fragility of the region in framing their conditions.

The Caribbean Development *Facilities managed by the World* Bank may be the beginning of an answer to the region's financial problems but much more *must be done. No less impor*tant is the question of assuring the Caribbean of export markets for its products.

When the trade negotiators of the EEC and other countries consider those commodities in which the Caribbean has a *special interest, the particular* disabilities of the region should be taken fully into consideration.

WHY SIR KEITH SAID 'YES' TO THE NEB

BY JOHN ELLIOTT IN LONDON AND JOHN WYLES IN NEW YORK

The titanium shortage puts governments on their metal

AN important and highly specialised metal now in short supply in major industrialised countries has been causing concern in Britain and the U.S. in recent weeks. Processed predominantly from a plentiful mineral called rutile found on Australian beaches, the scarcity of titanium is worrying aerospace manufacturers in the U.S. Meanwhile Russia, which is also a major producer, is said to be extending its use in military submarines.

The metal, which has a variety of industrial uses where heat and corrosion resistance are important, has also provided one of the first major embarrassments for the British Government's industrial policy. The Government wishes to reduce drastically the amount of State aid to industry. But Sir Keith Joseph, Industry Secretary, has been forced reluctantly to sanction a *National Enterprise* Board project for a new titanium granule plant costing up to £30m—while adding that the NEB must search for private sector finance to take over its stake.

Echoes of the past

Ironically, *this is the second* time in nine years that a Conservative Government has had to trim its policy of *disengagement* in order to put up money to ensure the survival of the technological successes of one of the UK's major companies—Rolls-Royce.

At the beginning of the decade, the last Conservative Government's "lame duck" policy was pushed aside in a multi-million pound rescue of Rolls-Royce which had collapsed developing its RB-211 aero engine. Now Sir Keith *has* been persuaded by Rolls-Royce's desperate need for special sorts of titanium alloys, which are only made in the UK and are used extensively in the RB-211 and other aero engines, to agree that up to £20m of public funds should be spent on the new plant, which is to be *built on Teesside by 1982.*

The paradox this time is that State aid should be needed at all when there is a world-wide *shortage of titanium and when* private sector companies in other countries such as the U.S., Japan and France are building or planning new titanium plants. Projects are also being mooted elsewhere, including China.

Yet, so far, no significant private sector backer has come forward to take the place of the NEB on the Teesside plant which is to be run by a company called Cleveland Titanium in which Rolls-Royce (itself an NEB subsidiary), and IMI (which melts titanium *granules or sponge into metal* alloy) are to be minority partners, together subscribing only about £5m of the cost.

There are three main reasons for this paradox. First, titanium production has been an erratic and often unprofitable business since it was developed some 25 years ago and has often disappointed investors. It has been hit by changes in various governments' defence policies leading to cancellations of major aircraft projects, as well as by the cyclical nature of civil aircraft building. It has also been affected by dumping from Russia, the world's largest producer of titanium, which has helped to cause some international controversy over tariff barriers. Secondly, there are the various new plants being planned around the world.

Companies like Rio-Tinto Zinc, which have been approached by the NEB, have not been convinced that the UK project will be sufficiently internationally competitive when the other new plants come on stream and the current surge in aircraft manufacture ebbs. The NEB on the other hand believes that in addition to its strategic importance, its plant can be commercially viable, providing that it gets into the market place quickly enough.

Thirdly and most important, Rolls-Royce is hooked on titanium alloys produced by a different chemical process than that used in the rest of the *world. The UK method, deve*loped by ICI, is called the Hunter process, and uses sodium to reduce the raw material into titanium granules. The rest of the world operates the Kroll process which uses magnesium to produce titanium sponge.

ICI's Mond Division has supplied Rolls-Royce with titanium, via IMI, which is the world's third largest titanium alloy manufacturer, since alloys for aircraft were first developed 25 years ago. But it is now pulling out of the business having often worked well below capacity and having made a loss for most of the past 11 years. Its titanium granule plant in the middle of its Wilton complex on Teesside (a few miles from the site of the new plant) is old and rundown and has become increasingly irrelevant to Wilton's chemical operations *since ICI ceased being the* major shareholder in IMI two years ago.

The problem now however is *that ICI's poor performance as a* titanium processor has given its Hunter method something of a bad name as an expensive and unprofitable business and is thus scarcely helping to attract private sector investors for the new project.

In pulling out of the titanium business, ICI is following a path trodden during the past 20 years or so by other countries' manufacturers. In the U.S., companies were initially encouraged when the Government backed the early development of titanium for six years *till 1956,* by which time the country was producing 33,000 tonnes a year. Then defence expenditure switched to missile development, which uses less titanium than aircraft, and the Government halted its support.

This prompted the withdrawal *within a few years* from titanium manufacturing of such major companies as Dow Chemical (now re-entering the business), Dupont, and Union Carbide, leaving the three current producers, Titanium Metals Corporation of America (jointly owned by Allegheny Ludlum and N.L. Industries) Reactive Metals (jointly owned by U.S. Steel and National Distillers), and Oregon Metallurgical Corporation (in which Armco Steel has just bought a 43 per cent stake, with the remainder still in private hands).

Life for these companies has been difficult and their existence is only guaranteed by their stronger, more diversified owners. The one company which had no such backing until recently, Oregon Metallurgical, has, says Mr. Henry Peters, its president, been brought close to the brink of bankruptcy in recent years because of market conditions. Oregon has spent *between $15m* and $20m since 1969 on new plant which it was forced to shut down for five years until *1976 because a combination of* imports and over-capacity made production uneconomic.

Oregon is now planning to increase its production capacity from 2,700 tonnes a year to about 4,100 tonnes, a move which Mr. Peters acknowledges is "gambling on the market." Reactive Metals has been similarly encouraged by the outlook to plan a 20 per cent increase in its current production of *7,000* tonnes a year. *Titanium* Metals is standing pat on production of 13,300 tonnes.

The only other major U.S. *development is a new plant* at Freeport, Texas, which will come on stream in the mid-1980s producing titanium by a new electrolytic process. This is a joint venture between Dow Chemical and Howmet Turbine Components, a subsidiary of France's Pechiney Ugine Kuhlman which is itself considering building a titanium plant in France.

Japanese report

Meanwhile there have also been reports that, among expansion plans in Japan where Osaka Titanium is the biggest producer, a new version of the UK's Hunter process is being developed by Nippon Soda.

The history of titanium as an important non-ferrous metal for the aerospace and other industries goes back to the early 1950s, although the Kroll process was invented in 1937. Titanium dioxide (TiO_2) was first recognised as the oxide of an unknown metal by a Cornish clergyman in *1789* and was named after the Titans by an Austrian chemist in 1795. The main minerals in which it is *found are rutile (which supplies* almost all the Western world's needs, mainly from Australia) and ilmenite, which is used extensively in Russia.

The most common use of titanium dioxide is for pigments in paints. For use as an alloy however, it is turned into titanium tetrachloride which is then reduced by the Kroll or Hunter methods using magnesium or sodium. The Kroll magnesium method was invented first and was widely used in countries like the U.S., Russia, and Japan by the mid-1950s as *well as in the UK.*

But then ICI and various companies in other countries started experimenting with sodium. ICI was specially interested because its technology in this area was well established. Following discussions with the Government in the mid-1950s, it was decided to concentrate on this process even though other countries moved back to Kroll. Since then IMI and Rolls-Royce have worked in partnership using ICI's output and have developed *alloys which are specially effec*tive at the hot en dof aero engines where their light weight and ability to withstand high *temperatures* has made them preferable to stainless steel and, at some temperatures, to cobalt and nickel based alloys. Other countries' aircraft manufacturers do not make the same use of titanium in their engines.

It is for this high temperature use that IMI and Rolls-Royce have persuaded the Government that ICI's Hunter type of titanium is essential, even though the bulk of the *several tons of titanium alloys* used in an aircraft (in the cooler parts of the engine and in the airframe) can come from either the Hunter or Kroll method.

Nevertheless, the special Hunter-based alloys are sufficiently important for Rolls-Royce *to insist* that a UK plant is needed. It has told the Government that, quite apart from any issues of national security, it would take years to re-certificate all its engine parts with a different titanium. In any case, it says that some parts would *have to be changed*—to the detriment of its engines. It has rejected suggestions made by foreign rivals and sceptical metallurgists that a little time and money is all that is needed to switch to Kroll titanium. IMI also says that there are disadvantages in the Kroll method *because it produces a "dirty"* sponge requiring special treatment.

Meanwhile titanium applica*tions in various branches of* chemical and other engineering are increasing, using titanium produced by either method. The metal's resistance to corrosion as well as its high strength to weight ratio and its resistance to heat and creep make it specially attractive.

The West's production of titanium has been split roughly 50-50 between aero and non-aero uses although the aircraft demand has recently increased to about 60 per cent.

Current U.S. projections suggest that at least for the next couple of years domestic American manufacturers will be hard pressed to meet anticipated demand from defence produc*tion, commercial aircraft pro*duction and other industries. At the same time, the U.S. Government may further stimulate demand by building up a national titanium stockpile because of its importance to the defence effort as well as its increasing commercial applications in chemicals and other industries. President Carter signed enabling legislation at the end of July which would allow the Government to boost national titanium stocks from *the current 35,923 tonnes to* 146,114 tonnes.

Mr. John Simon, a Los Angeles aerospace analyst with Crowell Weedon *who recently warned* that a titanium shortage may prevent U.S. commercial aircraft manufacturers from meeting their output targets for 1980 and 1981, believes "there is a distinct possibility that titanium may be designated a critical metal by the U.S. Government." *This would give* defence needs priority allocation and, says Mr. Simon, may force the Government again to encourage expansion of domestic capacity because current output is insufficient to satisfy the needs of the national stockpile and of commercial aircraft manufacturers.

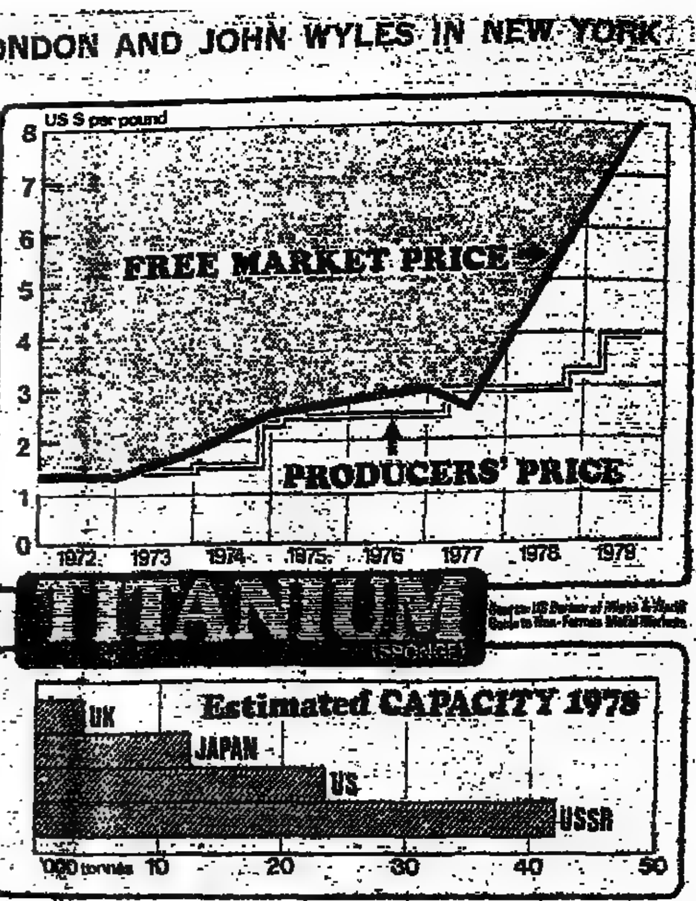
Ordering in advance

An executive at Titanium Metals has claimed that Boeing, the leading U.S. planemaker, is now ordering titanium three years in advance of its actual needs, which means that it is anticipating aircraft orders which have not yet been placed. If they fail to materialise, then U.S. titanium makers could again experience some of the old and familiar problems—unless of course, the U.S. Government does pursue its stockpile plans and foreign sources of titanium remain as tight as at present.

According to Mr. Simon, the U.S. imported 18 per cent of the 104,463 tonnes of titanium sponge consumed in the five year period ending in 1978. He estimates that about 44.3 per cent of the imports came from the Soviet Union which has now withdrawn virtually all of its titanium from world markets, largely, it is believed, because of the need to supply its own formidable defence needs. Among other uses, Russia is building all-titanium deep-running attack submarines. These are able to operate at great depths because the walls of the submarines can be built four times thicker than with stainless steel because titanium *is only one quarter the weight* of steel.

Against this international background, the NEB, acting on the orders of *Sir Keith Joseph,* is scouring the world's financial institutions, titanium producers, and industrial companies, for a partner to take over its planned investment.

The NEB's problem is that, while the Rolls-Royce require*ments provide a strategic case* for building a titanium granule plant in the UK, the commercial case is not proven. If the Cleveland plant confounds the UK's bad construction record and is built quickly and if, despite ICI's poor past record, the Hunter process proves to be internationally competitive, then a money spinning exporter might emerge. But if labour and other troubles *slow down construction and the* process remains inefficient, the producers in other countries will be free to feed the growing international demand for titanium. The Cleveland project would then turn out to be simply an expensive way of living with the technological brilliance of Rolls-Royce designers.



ACCURATE figures on world titanium production are hard to come by because the Soviet Union is by far the biggest producer. Latest estimates by the U.S. Bureau of Mines are *that output rose by 19 per* cent in 1978 but that stocks fell by 27 per cent as a result of demand rising even faster.

The bulk of titanium sponge is sold in the Western world at prices fixed by the leading producers under direct supply contracts with consumers. These prices are normally changed infrequently but in recent years have been raised steadily to $4 a pound in the U.S. and a range of £3,400 to £3,600 a tonne in Britain.

The so-called "free" market covers titanium supplies, mainly from the Soviet Union, bought and sold by metal merchants. Although it accounts for only a small proportion of total sales, less *than 5 per cent,* the free market is a good indicator of supply-demand trends. The shortage of supplies is well illustrated by the sharp rise in free market prices recently.

John Edwards

MEN AND MATTERS

Professor told: You've resigned

Profesor Alan Day of the London School of Economics yesterday opened a circular letter — marked "for information" — telling him that he was no longer a member of the *Air Transport Users' Committee.* Earlier this year, he had been appointed chairman-designate of the committee, from October 1 until 1981. In both cases, the news had come from Nigel Foulkes, chairman of the Civil Aviation Authority.

Was Day surprised by the *circular letter. He* replies: "Very little amazes me in this matter any more." It was, he explains, the culmination of a fairly intense disagreement between Foulkes and himself. Last week, the CAA boss had asked him to write a letter resigning "through pressure of work." Day refused. "I replied that I would not tell a blatant lie."

Behind the dispute, I gather, were Day's plans to shake up the committee's administration. "The staff salaries reflect inflated civil service rates," he says.

The Air Transport Users' Committee is intended, as its name implies, to be helpful to passengers. "My plan was to make it more professional, in a sense more aggressive," says the thwarted chairman. Day recog*nises that Foulkes has the final* word about this onerous (though unpaid) job; but he does not accept the assertion of the circular letter that he has also resigned—"owing to the pressure of other commitments"—from the committee itself.

He is considering digging in his heels. "Some members of the committee are urging me to stay on and slog it out."

So chairman Foulkes, who reached 60 on the day he dictated the circular letter, may have given himself a tricky birthday present. Yesterday he was unavailable for any comment, and was reported to be in an unbroken succession of meetings.

"My guess is it's the Irish oil find"

Distant drums

Pop singers come and go, and when they are gone their new *careers seldom seem to sparkle.* But for Richard Shaw — stage name, Rocky Shaw—things have gone from strength to strength. *Next week* he starts work trying to turn round the fortunes of the Lowndes Lambert broking operations—as a member of the board of Hill Samuel.

Pop has, it is true, formed a relatively small part of Shaw's life. But there must be many who recall his 1950 incarnation as a moonlighting £8-a-week insurance broker from John Minet crooning his way through Sinatra ballads before Matt Munro, and others more notable, took over. "I don't think he'd remember me," says Shaw.

He tells me the worst experience of his 18 months as a singer came at the Hurlingham Club: "Jan Stewart, who ran the Savoy Band for 40 years, was so *incensed by my performance* that he pulled out the plug on me." The future Hill Samuel director was undeterred: "I was *employed to sing eight songs, so* I sang them without the microphone, and with a 12-piece band blaring away behind me."

Even if he had the time, Shaw —still known as "Rocky" in Lime Street—feels his style would be too outof date for a return to the boards: "I was a singer when it was *a la mode* to *sing in tune," he says with a* hint of hauteur.

Tea and terror

In the latest accounts of McLeod Russel, the tea-plantation owners, I spotted an item *rarely seen* in such documents: "The profit for 1979 includes a grant of £223,000 received from the Zimbabwe Rhodesian Government in respect of loss of profits due to terrorist activity in the previous year." Behind this lies the story of what must be the most dangerous tea estate in the world: it lies along the Mozambique border, in a region infested by Robert Mugabe's fighters.

McLeod Russel bought the estate in 1975, when the risks were already high. "We are keeping our head above water out there," a spokesman assures us.

Like many other people with interests in Central Africa, the company will be anxious for a positive outcome from the Lancaster House talks starting on September 10. As the war *goes on, Zimbabwe Rhodesia* is paying more than £10m a year in compensation, and the amounts rise every month. But *this is all in the local dollars,* so it has to stay in the firing line.

Proper and improper

The art of lexicography has become much more scientific since Sam Johnson, in 1755, wrote such entries as: "Patron. *Commonly a wretch who sup*ports with insolence and is paid with flattery." But Patrick Hanks, after his 10-year stint *editing* Collins New English Dictionary—print order, 200,000 —admits to retaining his own whims. "I like rock music," he says. That is why you are sure to find, among the 14,000 biographical entries, The Who, Pink Floyd and others of that ilk.

It would be unfair, however, to charge *Hanks* with frivolity. He argues forcefully about semantics and semiotics to justify what is regarded as the most revolutionary major dictionary ever created in English.

"I do not believe that arts graduates can pretend they know enough to define scientific terms," says Hanks, still in his early forties. "I also believe that a dictionary must be genuinely contemporary." That explains the inclusion of many words, among the 162,000, which would never find a niche in the "big Oxford"—and others which would shock many maiden aunts.

But it is the proper names which form the most intriguing innovation. Ayatollah Khomeini is not there—he appeared on the world scene just a few days too late for inclusion. "He must wait until the next edition." Finally, it is all a matter of editorial choice, Hanks admits.

I drew a bow at a venture. What about Lord Goodman, the Master of Hanks' old Oxford college, University? We turned to the appropriate page. There was just Benny Goodman. "Well, that's as it should be. Benny Goodman has contributed more culturally." I felt Dr. Johnson would have approved of that piece of prejudice.

Man from Peru

A businessman from Lima tells me that he telephoned a Basingstoke company earlier this week and asked to speak to the manager. The girl on the switchboard asked who was calling.

"He won't know me," he told her. "I'm from Peru."

"Oh," said the girl doubtfully. "Well, I'll put you through, but I think you'll find he's insured already."

Observer

هكذا من الأصل

West Berlin: a subsidised paradise

THE THEME SONGS of West Berlin today come from Cabaret, the 1960s musical evocative of the 1930s. The stock show in a night club tends to consist of a jackbooted but otherwise naked young lady playing around with a toy machine-gun. Nostalgia piles upon nostalgia and no one can be quite sure of the extent of the irony, nor indeed whether any irony is intended at all.

Berlin remains what it always was, a very strange place. Few people could have predicted, however, the developments of the past few years. Two things have happened. The first is that the Four Power Agreement on the city in the early 1970s seems to have worked. Berlin today is no longer an area of great East-West tensions. There are stresses and strains to be sure, and the whole situation needs to be watched on an almost hourly basis. But the days when an incident in Berlin could have led to World War III appear to be over.

The second and presumably related development is that West Berlin has almost caught up with the Federal Republic. Anyone who comes here from Britain will have been conditioned by talk of zero growth and economic crises. In West Germany there is an economic boom almost reminiscent of the 1960s or of what economist-minded Germans tend to call "the golden years." It extends, as it did not always do in the past, to West Berlin. Signs of affluence abound and there is a surprising amount of economic confidence about the future. West Berlin has become in many ways like any other thriving German industrial city. There is no longer so much of a tendency to regard it as essentially different because of its geographical position inside the German Democratic Republic.

Yet there is also a catch. The Four Power Agreement — between Britain, France, the U.S. and the Soviet Union — ensured a certain stability. But economic growth was not spontaneous. What happened was that the Federal Republic began to increase its Berlin subsidies. In 1969 the budget of the West Berlin Government was subsidised by about 40 per cent by the Government in Bonn. Today the figure has risen to around 54 per cent.

One can put the figures in other ways, nearly 60 per cent of all the regional aid provided by the West German Government goes to Berlin. Or again, the aid received from Bonn is 16 times higher than West Berlin's contribution to West Germany's gross domestic product. It is also notable in passing that it has been accepted by NATO that aid to Berlin should be counted as part of West Germany's defence expenditure. By this reckoning, which may well be artificial, Bonn's defence spending appears substantially higher than it actually is. The inclusion of aid to Berlin under defence takes defence spending up by nearly one percentage point of GDP.

Subsidised

The exact figure for net federal aid to West Berlin is not available and depends on all sorts of calculations. The Government in Berlin puts it at present at around DM 5bn (£1.25bn) a year. And, of course in the context of the German economy as a whole that is peanuts. West Germany can afford to pay. But it is a very considerable contribution to the Berlin economy.

The result is that despite all the signs of affluence and growth, West Berlin is not like other German cities at all. It is a highly subsidised economy. The laws of the market have been almost suspended. Apart from direct subsidies, West Berliners pay less income tax and West Berlin companies pay less corporation and value added tax than their counterparts in the Federal Republic. One of the latest ventures is a scheme to subsidise a Berlin film industry, though there are difficulties about deciding which films should be helped. Pornography is regarded as distasteful, but sometimes acceptable. No one quite knows where to draw the line. The real problems, however, come with political films, some of which are distinctly hostile to the West German Constitution.

The departure from the rules of the market economy may be explained because Berlin is a special case. But something else has happened. Quite a lot of people appear to like the present situation and indeed to prefer it to that of the rest of West Germany. The decline in West Berlin's population has more or less come to a halt. Last year there was actually an increase and if it was accounted for by an inflow of foreigners, it has always been the case that Berlin is a cosmopolitan city.

Moreover, some of the long-standing social problems have already been resolved, partly due to federal aid. In the early 1970s there used to be a shortage of kindergarten places. That appears no longer to exist. The staff-pupil ratio in Berlin schools is considerably better than in most West German cities. Demographic factors seem to be moving in Berlin's favour as the old die off, the young reproduce and new people move in. A decade ago it used to be a nightmare that Berlin would become a city of old-aged pensioners. That is no longer the case.

What seems to attract the inhabitants is a feeling that Berlin is more relaxed that the Federal Republic. There is less competition, more room, less pushing. It is easier to do what one likes, and, of course, all that would be true of a city so liberally subsidised, where all the infrastructure is provided and where even the student liberaries, let alone the facilities for the children of working mothers, can be magnificent. West Berlin has become in many ways a Social Democrat paradise, though on somebody else's money.

Liza Minnelli in the film Cabaret, whose songs still dominate West Berlin.

The problem remains of what happens next, and it is here that the views of those in Bonn and those in Berlin may begin to diverge. It appears to be generally agreed, although there is nothing in writing, that the subsidies can not go on rising indefinitely. Herr Dietrict Stobbe, the city's governing mayor, says that he would like to bring them down to 50 per cent of the Berlin budget and stabilise them there. But there is no practical sign of that happening and no great groundswell of opinion demanding that it should. Meanwhile, companies already established in Berlin continue to receive cheap credits for new investments in the city even though they admit that they would make the investments in any case.

For Bonn the amount of money involved remains relatively small, although some of the poorer German laender could start complaining about the privileges given to Berlin. It is a modest price to pay for ending the Berlin crisis and perhaps one day the Western sector really could become like any other West German city.

Herr Stobbe at least, however, has other ambitions and it is indeed difficult to see how the situation can remain static. The Four Power Agreement and the subsequent agreements improving relations between the two German States are part of a continuous process. They created the conditions for further negotiations, but as it is nothing like normalisation has yet been achieved. All sorts of anomalies abound: The Berlin Wall, for example. So the question is where Berlin goes from here.

In the past few days there have been reports of disagreements between Bonn and Berlin with Herr Stobbe pressing for an early meeting between Chancellor Schmidt and the East German Head of State, Herr Honecker. The Chancellor is demurring and since the East German authorities are going through a period of tightening up internal discipline it is hard to believe that the moment is auspicious. Herr Stobbe's point is that it is precisely at times like these that West Germany must keep up the pressure for further improvements.

Concessions

Yet the disagreements are probably confined to timing and tactics. Of the need to go on negotiating with the East Germans there is no doubt. There is no doubt either about the general approach and it again comes back to money. The theory is that East Germany needs foreign exchange and will be prepared to make political concessions in order to get it. That has been the basis of the progress so far. The West Germans, for instance, are financing the autobahn from Berlin to Hamburg. Other, similarly financed, improvements in communications are under way. It is also notable that East Berlin is benefiting from the shortage of hotel rooms in the West. Many of the visitors to the current Home Electronics Fair are being obliged to sleep on the other side of the Wall, thus providing further foreign exchange.

But there is a limit to how much can be done in this direction. The view in Bonn is that West Germany can probably go on financing the development of the East German infrastructure for a while longer, but Herr Stobbe is thinking more ambitiously. He would like to ensure West Berlin's energy supplies by taking natural gas and electricity from the Federal Republic. (It has been discovered that the geological structure of Berlin is such as to allow massive underground gas storage.) The problem is that East German permission would be required for the laying of pipelines and cables across its territory.

Again the answer comes back to money. Herr Stobbe at least is convinced that sooner or later the East Germans will agree because they will want the hard currency. There may be greater scepticism in Bonn, and less willingness to pay, but there is no basic difference in the approach. It is that the way to improvements in Berlin lies through cash and that West Germany can afford to provide it. It is also almost as if West Germany has assumed a special responsibility to finance the East German economy.

The story has no moral, except perhaps the power of money. It may also show the unwisdom of making predictions. Who would have thought a decade ago that West Berlin would become such an apparently thriving industrial city so relatively free of tensions? And the story is far from over. Herr Stobbe would like to reopen the Brandenburg Gate which stands today as an historical monument between East and West Berlin. He says it should be possible to do it without reunification which he denies he is seeking, and anyway no one can say how reunification could possibly come about. What seems certain, however, is that change will continue. A process has been started that will be difficult to check and Berlin has turned out to be too lively an entity to be allowed to atrophy. There are in fact three Germanies, East, West and West Berlin, but from time to time they all act together.

Malcolm Rutherford

Letters to the Editor

Developing countries

From Mr. O. Labond

Sir, — Professor Mann (Aug. 25th) states that the disposable income of the rural population in developing countries can be increased by food processing units instead of heavy industry. I would agree with this in principle but the difficulties of establishing viable balanced units are manifold.

Unit cost per kilo or litre produced must be at least as low as those of imported goods or if export is the aim the CIF price must be competitive with goods produced by possibly larger units. Marketing small amounts creates problems unless the product is exotic or specialised.

In developing countries most products are produced by small farmers often a long way from the factory and have to be handled first to a motorable road and then transported on often indifferent roads at relatively high cost.

Amounts of suitable produce available for processing are normally marginal and any shortfall due to climatic conditions will affect the viability of the enterprise which will be geared to a minimum tonnage.

The high cost of imported packaging materials make it difficult to compete with more developed countries' products.

While I accept the principle I would advise a very careful feasibility study of any one project.

Mr. O. E. K. Laband.
Glengra,
Earlsferry-Elie, Fife, Scotland.

Third London airport

From the Chairman,
The Defenders of Essex Association

Sir,—Unlike Mr. R. Vallance, of the Langley/Nuthampstead Preservation Association, who seems anxious to get rid of his personal problem by suggesting that someone else should suffer, I do not wish to advocate that the third London airport should be sited at Langley. But I would like to challenge his letter of August 25.

He is incorrect when he says that "it is generally accepted that Langley cannot be on it (the last list) because Roskill was able to reject the same site out of hand." It is not the same site, the problem under consideration is different in size and much has changed since the Roskill report. Mr. Vallance is, surely, aware that Roskill turned down the coastal site of Maplin and, in so doing showed that the agricultural loss was greater at Maplin than elsewhere (a fact conveniently forgotten by so many purblind "inlanders"), that Maplin had considerable environmental penalties and that Dr. Burns could see no major planning virtue in its choice.

The choice of the coastal site of Maplin would involve major, and unique, environmental loss and would seriously endanger the ecology of the Thames Estuary. A realist could argue that there is little unique in the threatened inland sites: there certainly is at Maplin. If Mr. Vallance and his friends are saying to the Government: "Choose a costly, inefficient, unique coastal site; ignore all its disadvantages, saddle the country with a white elephant and, if you do not, we will attack, physically if necessary, any attempt at a reasonable solution to a difficult problem," I leave your readers to decide whether he merits support or whether they would support a movement willing to argue sensibly, to convince and to persuade.

Are the people of East Essex and North Kent of no importance?

Councillor D. C. Wood,
The Chase,
Paglesham E. End;
Rochford, Essex.

Discount houses

From the Chief Executive,
Gillett Brothers Discount Co.

Sir,—In the course of his two articles last Saturday, in which he referred in passing to Gillett Brothers Discount Co's interest in Kirkland-Whittaker Group, Mr. James Bartholomew made a number of assertions about the relationship between discount houses and their money-broking subsidiaries which call for comment.

At no time since the Bank of England in 1965 first allowed discount houses to make such an investment has it expressed the view to me or to my predecessors that it "dislikes a money market principal (like ourselves) owning a broker" or that there is any "fundamental clash between the discount house's function and that of the broker." At no time has it obliquely or directly suggested to us that it would be happy to see us divest ourselves of our investment.

As Mr. Bartholomew says, the relationship between the two institutions could be abused, just as in a merchant bank the relationship between the investment department and the corporate finance department could be abused. In practice the parties operate at arm's length. If it were otherwise their reputation for impartiality would be destroyed overnight, with consequences to the business so detrimental as to outweigh any temporary advantage.

W. J. Kilpatrick,
Gillett Brothers Discount Co.
65, Cornhill, EC3.

World trade in textiles

From the President,
The Knitting Industries Federation

Sir,—I must protest against the views expressed in your leading article "World trade in textiles" (August 23). Perhaps it is time for free traders to take a long hard look at real protectionist countries. I refer to almost the whole of the southern hemisphere plus most emerging countries who operate either complete bans on textile imports or else probibitive tariffs (Brazil 200 per cent) yet these very same people seem to think they have a God given right to ship any amount of their goods into the EEC.

We in the Knitting Industries Federation are not being "dog in the manger." We do not ask for a complete ban on imports into the EEC. We do ask that textile imports should be limited to a percentage of previous year's retail sales. We are also looking for reciprocity. If, say, 20 per cent of the EEC is to be open to textile imports then we demand that 20 per cent of the importing countries market be opened to EEC textile exports on the same tariff rates that apply in the EEC. We are no longer prepared to accept the position where, because China—or indeed any other country—wants to import Jump Jets, they then dump their textiles here to pay for them, decimating our industry in the process. Under the present Multi-fibre agreement quotas increase by up to 6 per cent each year depending on product group, irrespective of market conditions. In a recession, therefore, they get an increase while home manufacturers stand all the lost sales. If the increase in quotas continued for long enough they would finish with the whole of the market and this is called protectionism!!

It is essential that home-based manufacturers know what percentage of the EEC market is theirs and is inviolable.

You state that transitional measures may be required to allow old fashioned high cost industries in the developed world to adapt—may one ask to what? It is time that free traders, Governments and the Commission came down from the clouds and got their feet firmly on the ground. While we are a piece rate industry with productivity second to none there is no way we can ever compete with countries who have the latest plant—who are capable of producing goods to the highest standards—but paying 10 per cent or less of the wages we pay, with no paid holidays, no pensions, guaranteed weeks or social charges of any kind. Are you suggesting we pay our employees in this manner treating them as slave labour in order that we may compete or are you suggesting huge Government grants to enable us to get into another industry? If so, may one ask which one?

Our representatives on the CBI tell me that there is now virtually no industry which is not now suffering from cheap imports. If this is allowed to continue it will eventually be impossible for an ever declining industrial base to support the ever growing social charges that will be needed to provide for the mounting army of unemployed within the EEC. Cheap imports are no longer cheap when people have not the money with which to buy them.

When you quote German experience as an example of success it is important to remember that their industry has been decimated by cheap imports with widespread bankruptcies. They now have a labour force less than half of what it was in the very recent past. Some companies have survived not so much by trading up as by outward processing, that is getting goods made up in cheap labour countries. They have in effect exported their employees jobs.

Our industry is constantly being told to trade up. As the top end of the market cannot be more than 10 per cent are we to assume that 90 per cent of the industry is to be allowed to die? Even then this is no answer, for many emerging countries are capable of producing goods for the top end of the market at considerably lower prices than our industry due to their labour costs.

The home textile industry is one of the most fiercely competitive and efficient industries in the country working on extremely low margins—an average of 3 per cent profit on turnover before tax. It is likely to be less affected than most by the microprocessor and therefore an excellent source of employment both now and, given reasonable markets, in the future. A fact which will assume even greater importance politically during the next decade.

It is composed of a high percentage of small companies, many run by owner managers. The type of company this Conservative Government is committed to support. It is deserving and I am sure will get as time goes on better understanding and support for its endeavours.

J. A. Wheatley.
The Elite Hosiery Company,
Hawley Road, Hinckley,
Leics.

Supplies of gas

From the Head of Technical Advisory and External Affairs Department, Institute of Purchasing and Supply

Sir, — Sue Cameron in her article on gas supply (August 22) wrote within the context of the chemical industry. According to information received from members of the Institute of Purchasing and Supply, companies in various sectors of industry are apprehensive that adequate supplies of gas will not be available in the coming year and production may suffer as a consequence.

There are two types of problem. The first is a company which uses gas as its only industrial fuel, and has a contract for an uninterrupted supply which has to be renegotiated each year with the relevant regional Gas Board. It is being reported that these companies are being told that, in future, they will not be supplied with more gas than the maximum estimated usage shown in the existing contract although current contracts permit this. Assuming that the companies are using gas efficiently, this restriction on supply could inhibit the possibility of increased production since a marginal increase in production would not justify the expense of providing a second fuel supply even if the manufacturing process could accept it.

The second problem concerns those companies which have a contract for a gas supply which can be interrupted at the discretion of the Gas Board. The second fuel used when the gas supply is not available is often fuel oil. This type of gas contract is usually for a period of one year. It is being reported that, when such contracts are renegotiated, the period of interruption of supply required by the Gas Board can now be as long as 90 days. To compound the problem, there is real doubt that firms will be able to arrange supplies of fuel oil to fill the gap. Although these problems have been described in an industrial context, commercial users of gas are faced with similar problems.

This Institute acknowledges the statutory requirement placed on British Gas Corporation to supply domestic consumers and appreciates the technical problems which would be created if demand from all quarters exceeded supply. Nevertheless, if British Gas Corporation cannot meet the demand from domestic, industrial and commercial consumers, the Government should take action to resolve the problem taking account of the potentially conflicting social and economic considerations.

E. L. Walker.
IPS House.
High Street, Ascot, Berks.

Today's Events

GENERAL

UK: Striking Mersey dockers mass meeting to consider peace formula.

British National Oil Corporation monthly Board meeting in Glasgow.

Pay talks at Vauxhall Motors.

National Society of Operative Printers, Graphical and Media Personnel (NATSOPA) executive council meets.

Overseas: Mr. Walter Mondale, U.S. Vice-President, continues tour of China.

Striking Rotterdam dockers meet to discuss a renewal of wage talks.

COMPANY RESULTS

Final dividends: Parker Timber Group. Stoddard Holdings. *Interim dividends:* Church and Co. George Spencer. Wagon Finance Corporation.

COMPANY MEETINGS

British Dredging, Royal Hotel, St. Mary Street, Cardiff, 12. Piersey, Millbank Tower, 21-24, Millbank, SW, 12. Sound Diffusion, Datam Work, 80-86, Davigdor Road, Hove, 5.30.

LUNCHTIME MUSIC, London

Band concert, Tower Place, noon to 2.00 pm.

Pop band Travelling Voice concert, St. Margaret-within-Ludgate, 12.15 pm.

First and last cello sonatas of Beethoven, John Franca (cello) and Eric Stevens (piano), St. Lawrence Jewry next Guildhall, 1.00 pm.

Plessey ahead but strikes will hit second quarter

TAXABLE profits of Plessey advanced from £12.41m to £13.17m in the first quarter to June 30 1979 on sales ahead from £151.9m to £170m. And the group is "quietly confident" about the remainder of the year although it warns that second quarter figures will show the impact of strikes and disputes now facing the company.

The first-quarter surplus was struck after a big fall in associated profits from £2.69m to £709,000 which was due to the sale in January of the ICL stake.

After tax of £4.7m (£4.32m) and minorities of £263,000, against £267,000, the surplus comes through at £8.2m, compared with £7.8m. Stated earnings per 50p share are up from [illegible] to 3.46p.

	First quarter 1979 £000	1978 £000
Sales	170,000	[illegible]
Trading profit	[illegible]	[illegible]
Depreciation	[illegible]	[illegible]
Operating profit	14,052	[illegible]
Associated co's	209	[illegible]
Interest receivable	807	[illegible]
Interest payable	2,548	[illegible]
Profit before tax	13,170	12,403
Tax	4,700	[illegible]
Profit after tax	8,470	[illegible]
To minorities	[illegible]	[illegible]
Leaving	8,207	[illegible]

Operating profit—	First quarter 1979 £000	1978 £000
Telecommunications—		
Main exchanges	1,393	[illegible]
[illegible]	[illegible]	[illegible]
Office systems, [illegible]	[illegible]	[illegible]
Electronic components	2,131	1,429
Hydraulics, aerospace, etc	2,008	1,440
Consumer elec. loss	285	1,042

Ashley Ashwood

Sir John Clark, chairman of Plessey . . . quietly confident about the remainder of the year.

The rise in operating profit from £11.7m to £14.1m was due to a general improvement in trading margins. Growth was particularly strong in electronic components, and in hydraulics, aerospace and engineering—both exceeded the previous year's operating profits by more than 50 per cent.

Telecommunications—main exchanges and transmission reported lower profits, largely because a majority of deliveries during the quarter was under fixed price contracts entered into some time ago.

The directors add that order intake throughout the world continues to be strong. The total order book stands at £826m with UK orders accounting for £341m—up 26 per cent on a year ago.

A spokesman said later that losses at the Strowger telephone exchange equipment plant at Edge Lane, Liverpool, had been running at the rate of £500,000 a month during the final quarter of last year. Over the first three months the losses had been cut back to a rate of some £400,000 a month.

The losses at Strowger—where the work force has been reduced by over a 1,000 to 3,500 in some six months—will continue into the second quarter. But, as profitable contracts work through, a recovery is being forecast. The spokesman added that they expected to make up these losses during the second-half. The group now has more satisfactory pricing arrangements and a clear indication of forward requirements for equipment. Costs were down, prices up and there was a more stable outlook.

The Garrard business finished the last financial year with a £2.5m loss. This time forecast is that the loss should be cut back to around £1m.

See Lex

Brown Bros. second half pick up

A SECOND half pick-up from £1.31m to £1.41m left taxable profits of Brown Brothers Corporation, a subsidiary of Dana Corporation, of the U.S., unchanged at £3.13m for the year ended June 30 1979. Turnover was up by over £14m to £98.4m. Profit for the 18-month period ended June 30 was £4.42m.

The directors state that accounts indicate satisfactory trading in the current year, with profits ahead of the same period last year. They say these trends should continue, subject to general economic stability.

At the interim stage, with profits behind at £1.72m (£1.82m), the directors said the group, motor accessories distributor, had made a reasonable start to the second half, but felt it unwise to forecast continued growth for the months immediately ahead.

Stated earnings per 10p share are 6.5p (6.3p) after lower tax of £157,000 (£253,000), and the dividend total is 1.4p (1.62p for 15 months) with a 0.57p net final.

	1978-79 £000	1977-78 £000
Turnover	97,380	[illegible]
Trading profit	3,840	[illegible]
[illegible] trading profit	112	119
Interest	723	[illegible]
Pre-tax profit	3,129	[illegible]
Tax	157	[illegible]
Net profit	2,972	2,881
[illegible]	[illegible]	2
Attributable	2,975	2,879
Dividends	[illegible]	[illegible]
Retained	[illegible]	[illegible]

* Comprises profits on sale of [illegible] £2[illegible] less £216,000 goodwill written off.

As at June 30 fixed assets stood at £6.15m (£6.27m) and net current assets were £11.29m (£9.4m). Net assets had risen to £18.45m (£16.25m).

● comment

Brown Brothers has now switched from a calendar to a June year-end, but the group has inaugurated the new schedule with some fairly colourless results. Pre-tax profits have decreased, albeit by less than 1 per cent on 19 per cent higher turnover. The group, which has suffered from higher interest charges, has been particularly hit by the January-February road haulage strike: distribution accounts for approximately 80 per cent of turnover. Profits have also been absent from the recently closed radio electrical division. But the board has boosted the total dividend by a quarter, covered more than four times and yielding 8.2 per cent on a share price of 25p, down by 1p. The stated p/e stands at 3.7, which is less than inspiring. Nevertheless, if trading continues to recover, as it has since the beginning of the new financial year, the group's performance could be improved reasonably by next year.

First half downturn to £0.8m for Lec

FOLLOWING a *fall from £1.64m* to £1.56m for 1978 the directors of Lec Refrigeration report a pre-tax profit downturn from £907,000 to £802,000 for the first half of 1979. Turnover was £14.48m against £15.4m.

In June the directors said that progress was slow in the first quarter of the year, and was not helped by the transport dispute and adverse weather conditions.

After six months tax of £417,000 (£520,000) earnings are shown as 6.37p (7.89p) per 25p share. The net interim dividend is increased to 1.35p (1.05183p)—last year's final payment was 1.54522p.

● comment

For the third successive year Lec's results reflect the impact of intense competition, mainly from Italian refrigerator manufacturers. In addition, there were the effects of the lorry driver's strike and the bad weather while exports, hit by adverse exchange movements, fell from 21 per cent to about 15 of total sales. However, the first-half profits shortfall of a fifth was roughly in line with market expectations, and the shares were *unchanged at 58p*. At this stage the outlook for the second half is unclear, in spite of a healthy order book. The company's stock levels are low and productivity will be drastically reduced if the current industrial action by the engineering unions is stepped up. Drawing a line through the interim dividend increase, the prospective yield is 9.3 per cent.

Somportex higher at £176,000

With £46,472, against £26,252, coming in the second half, Somportex Holdings, confectionery, groceries and delicatessen distributor, lifted pre-tax profit from £163,065 to £175,918 for the year to April 30, 1979. This was, however, still down on the record £0.19m seen in 1974-75.

Tax up from £84,963 to £103,252 left earnings per 25p share for 1978-79 down at 10.38p (11.15p). Sales reached £3.97m (£3.62m).

The winter weather and haulage strike badly affected the normal non-seasonal confectionery sales but both Christmas and Easter went well, say the directors.

Confectionery profits were boosted by a new line but the *delicatessen sector is not* yet achieving its budgeted contribution.

The net dividend is stepped up from 3.77p to 4.5p.

WATERFORD GLASS

Waterford Glass has decided to exercise its right to convert the remaining 1,209,731 10 per cent cumulative redeemable preference shares into ordinary shares.

Blue Circle dips £0.7m —£19m Chile deal talks

HIGHER PRODUCTION and distribution costs, together with *the effect of the strong £ on* export revenue, held first-half 1979 taxable profit at £20.6m, against £21.3m, for Blue Circle Industries, the cement group.

The company says that a 13 per cent price increase from August 1 will help restore the situation and UK profits in the second six months should show improvement. For 1978 total profit was up 7.7 per cent at £51.8m.

The group is currently completing negotiations for the acquisition for some £19m of 82 per cent of Fabrica de Cemento el Melon, a major cement producer in Chile. This company has a 0.75m tonnes cement manufacturing capacity and is well placed to take advantage of market growth. The investment is being financed partly from internal resources and partly from sterling loans, the directors *state*.

Sales for the half-year were ahead from £198.8m to £228.3m.

Despite the impact of the severe winter on the construction industry and a downturn of 3.5 per cent in the UK cement market, Blue Circle's home trade deliveries in the six months were maintained at 4.3m tonnes for the third successive year. Deliveries are continuing at a level which indicates that, granted reasonable weather conditions, last year's home tonnage of 8.8m tonnes should be achieved *in 1979* and *possibly* exceeded, say the directors.

Exports of cement and clinker were slightly ahead at 1m tonnes.

Profits from overseas operations were better due principally to improved results from Mexico and Nigeria. Movements in exchange rates have, however, depressed the sterling value of profits and this factor may make it difficult to achieve last year's level of overseas profits, which were *£8.7m at the trading level* for the year as a whole.

Overseas profits represented 57 per cent (51 per cent) of the group share of profits before tax for the half year.

Stated earnings per £1 share were 0.5p lower at 11.5p after tax of £10.5m (£10.8m) and minorities again at £0.8m.

The net interim is raised from 3.22p to 3.8p. The final last time was 7.2122p.

	1979 £m	1978 £m
	Half-year	
Sales	228.3	198.8
Trading profits	12.7	13.9
UK	10.0	11.3
Overseas	2.7	2.6
Share of assocs.	9.7	9.0
Investment income	1.9	1.7
Finance charges	3.7	3.3
Pre-tax profit	20.8	21.3
Tax	10.5	10.8
Net profit	10.1	10.5
To minorities	0.8	0.8
Attributable	9.3	9.7

See Lex

HIGHLIGHTS

Lex looks at the first-quarter figures from Plessey, where *profits are improving* despite the losses in the Liverpool telecommunications subsidiary. Blue Circle Industries suffered a slight interim shortfall, on the other hand, as the effect of currency realignment took its toll. The group pushed through a 13 per cent price increase earlier this month but Lex considers that this will be offset by rising costs. The column also looks at the market for precious metals and ponders the future for gold and silver which have again hit new peak prices. Elsewhere the annual figures from Brown Brothers are analysed, not to be confused with BBA whose interim results are also inspected. Other interim profits which draw comment include Stewart Wrightson, Lec Refrigeration, Scottish Agricultural Industries and Britannia Arrow, once known as Slater Walker Securities.

BBA set for significant rise

A RISE in overseas profit more than offset the UK downturn, and left taxable profits of BBA Group just ahead from £3.71m to £3.82m for the half year ended June 30 1979. Sales rose *from £60.2m to £66.5m*.

Several companies are expected to give better results in the second half, directors state, and they believe the group's profit for the full year will show a significant increase over the record £7.8m for 1978.

Pre-tax figure for the first six months included associates' contribution of £366,000 against £254,000 and was split as to, UK £1.54m (£2.15m) and overseas £2.28m (£1.56m).

Tax for the period increased to £1.8m (£1.35m), the difference attributable to a rise in the overseas charge to £1.34m (£894,000).

Net profit was thus lower at £2.02m compared with £2.36m giving earnings of 3.8p (4.12p) per 25p share.

The *interim dividend is effectively raised to 0.84p (0.7022p)* net, last year's final being an equivalent 1.42732p. Also announced is an additional 0.0639p for 1978 on ACT reduction.

	Half year 1979 £000	1978 £
Sales	66,514	[illegible]
UK	31,757	28,079
Overseas	34,757	32,127
Trading profit	[illegible]	[illegible]
Depreciation	2,390	2,060
Finance charges	974	816
Associates' profit	366	254
Pre-tax profit	3,821	3,711
UK	1,543	2,154
Overseas	2,278	1,557
Tax	1,801	1,350
UK	459	466
Overseas	1,342	884
Net profit	2,020	2,361
Minorities loss †	151	119

† Profit

Exports for the period were up from £6.86m to £8.71m.

BBA is a holding and management concern with interests in friction and anti-friction materials, asbestos products, glass-fibre, beltings, webbings, etc.

● comment

Problems in the UK left BBA's interim profits only 3 per cent higher. The new Regina Fibreglass plant is only now generating sufficient turnover to break even and the Sovex Marshall mechanical handling division was also losing money because of a bunching of orders towards the end of the year. With the haulage strike creating difficulties early on and the engineering strike now threatening the second half, the grass looks *greener abroad, particularly as* some of the foreign companies buy raw materials from Canada and benefit from the weakness of the Canadian dollar. The lacklustre performance of the domestic motor industry suggests that the foreign interests will continue to contribute the majority of overall profits, with the Spanish subsidiary, for example, set to cash in on the proposed GM plant. Some second-half recovery can be expected in the UK, however, putting profits of £8.5m within reach. This would leave the shares on a fully taxed p/e of 7, where the yield is 8.1 per cent assuming the interim dividend rise is maintained.

Barker & Dobson scheme approved

SHAREHOLDERS of Barker and Dobson voted yesterday in favour of a capital reduction scheme which will allow the company to pay dividends under the proposed Companies Bill by wiping out a deficit on revenue reserves.

The par value of each share will be reduced from 10p to 8p. *Each share will then be* subdivided into two shares of 4p and every five of these will be consolidated into one new 20p share. Mr. Ronald Aitken, the chairman, told the annual meeting that he did not expect the reconstruction to affect the group's market capitalisation.

He said that the UK confectionery industry in general suffered a fall in demand over the first half of this year, but that Barker and Dobson had been able to offset this by increasing the market-share of its medicated products and moving into premium goods, such as Charbonnel et Walker chocolates the acquisition of which it completed this year.

The company has also entered into an agreement with Irish Tea Merchants which will cut the distribution costs of its Lemon's confectionery. Lemon's lost around £100,000 last year but can now look forward to a profitable future, Mr. *Aitken* said.

Yesterday, it was suggested that Barker and Dobson was not paying a dividend for 1978-79. In fact it has distributed an interim of 0.134p per share and will pay a final of 0.230p.

London Investment

London Investment Trust announces that in connection with the recent rights issue of 6,349,650 Ordinary shares, provisional allotments have been accepted in respect of 5,148,982 Ordinary shares.

The remaining 1,200,668 shares have been sold through the market at an average price of 8p per share and the net proceeds of the sale, after deduction of the amount payable on acceptance and the expenses of the sale will be distributed pro rata among the provisional allotees originally entitled thereto.

New business up at Refuge Assurance

New business figures for Refuge Assurance Company for the first half of 1979 show ordinary branch new sums assured up from £44.54m to £50.59m.

New annuities per annum were £424,000 (£546,000), new premiums per annum, £1.82m (£1.52m), and new single premiums, £321,000 (£347,000).

Industrial branch new sums assured *rose from £58.57m* to £62.69m, with new premiums per annum at £4.62m (£3.99m).

General branch total premium income increased from £2.81m to £4.07m.

The interim dividend is lifted to 3.4p (3p) net per 5p share—*last year's final was 6.2p*.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
BBA Group	int.	0.84	Jan. 7	*0.7	—	*‡2.19
Blue Circle	int.	3.8	Oct. 22	3.22	—	10.43
Brown Bros.		0.57	Jan. 2	0.62	1.4	1.62
Erskine House		1.44	—	1.25	2.18	1.91
House Property	int.	1	Oct. 15	—	—	2.1
Lec Refrigeration	int.	1.35	Oct. 12	1.05	—	2.59
North Broken Hill		§5	—	5	12	8
Mixconcrete	int.	1.55	Oct. 22	1.43	—	3.57
Refuge Assurance	int.	3.4	Nov. 2	3	—	9.2
Scot. Agric.	int.	5.75	Nov. 5	5	—	12.5
Scot. Northern	int.	‡1.2	Nov. 5	*0.8	—	*2.53
Sharpe & Fisher	int.	0.5	Nov. 1	*0.42	—	*1.39
Somportex		4.5	Oct. 19	3.77	4.5	3.77
Stewart Wrightson	int.	3.85	Nov. 9	3.6	—	11.06

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ To reduce disparity. ¶ Includes additional 0.0639p on tax reduction payable October 12. § Australian cents.

BANK RETURN

	Wednesday Aug. 29 1979	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	27,221,865	+ 5,019,970
Special Deposits	520,000,000	—
Bankers Deposits	536,827,591	+ 87,782,987
Reserves & other Accounts	640,666,379	+ 1,946,107
	1,739,268,835	+ 94,689,064
ASSETS		
Government Securities	1,020,945,471	+ 37,275,000
Advances & Other Accounts	457,391,711	+ 48,317,730
Premises Equipment & Other Secs.	256,538,099	+ 18,972,194
Notes	4,189,415	— 9,770,725
Coin	204,129	— 5,135
	1,739,268,825	+ 94,689,064
ISSUE DEPARTMENT		
Liabilities	£	£
Notes Issued	9,600,000,000	+ 50,000,000
In Circulation	9,595,810,585	+ 59,770,725
In Banking Department	4,189,415	— 9,770,785
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	7,899,511,538	+ 66,294,488
Other Securities	1,589,473,362	— 16,294,488
	9,600,000,000	+ 50,000,000

Sharpe and Fisher up halfway: sees record

TAXABLE PROFITS of Sharpe and Fisher, *builders' merchant*, rose from £434,581 to £472,948 in the first half of 1979, on increased turnover of £10.33m, against £8.46m.

The directors say all sections of the group are busy and they look forward to another record year. In the last 12-month period, the surplus reached £1.19m (£0.91m).

Tax for the half-year took £142,000, compared with £128,000. The net interim dividend is effectively raised from 0.42p to 0.5p—last year's total was equivalent to 1.3905p.

Deborah Services up 16.3%

WITH TURNOVER 50 per cent higher at £13.6m, pre-tax profits of Deborah Services rose by 16.3 per cent from £1.04m to a record £1.21m for the year ended March 31, 1979. The result was struck after writing off development *costs of* £253,765 incurred through research and development.

The scaffold contracting and building equipment divisions lifted turnover by 72 per cent to £10.16m and, despite the bad winter, pre-tax profits increased by 129 per cent to £1.37m.

Because of severe competition and the phasing out of unprofitable contracts, profits of the insulation side slumped from a peak £470,531 to £94,807, on *turnover of £3.38m (£3.17m)*.

Tax for the year took £712,000 *(£591,000)* and earnings per 5p share are given up from 8.05p to 9.1p. A final dividend of 2.5p effectively raises the total from 1.8672p to 3.5p.

Mr. A. L. Britton, the chairman, says the current year *has begun satisfactorily, with* both scaffold contracting and building equipment divisions maintaining their improvement. The insulation side is still experiencing severe competition but is expected to show better results this year.

Viable products have now been developed in the specialist divisions of furnace manufacture and coatings applications and these items are being contracted for both at home and abroad.

The Board continues to view the future with confidence.

The company's shares are traded by M. J. H. Nightingale and Co.

Meeting, Wakefield, September 26, noon.

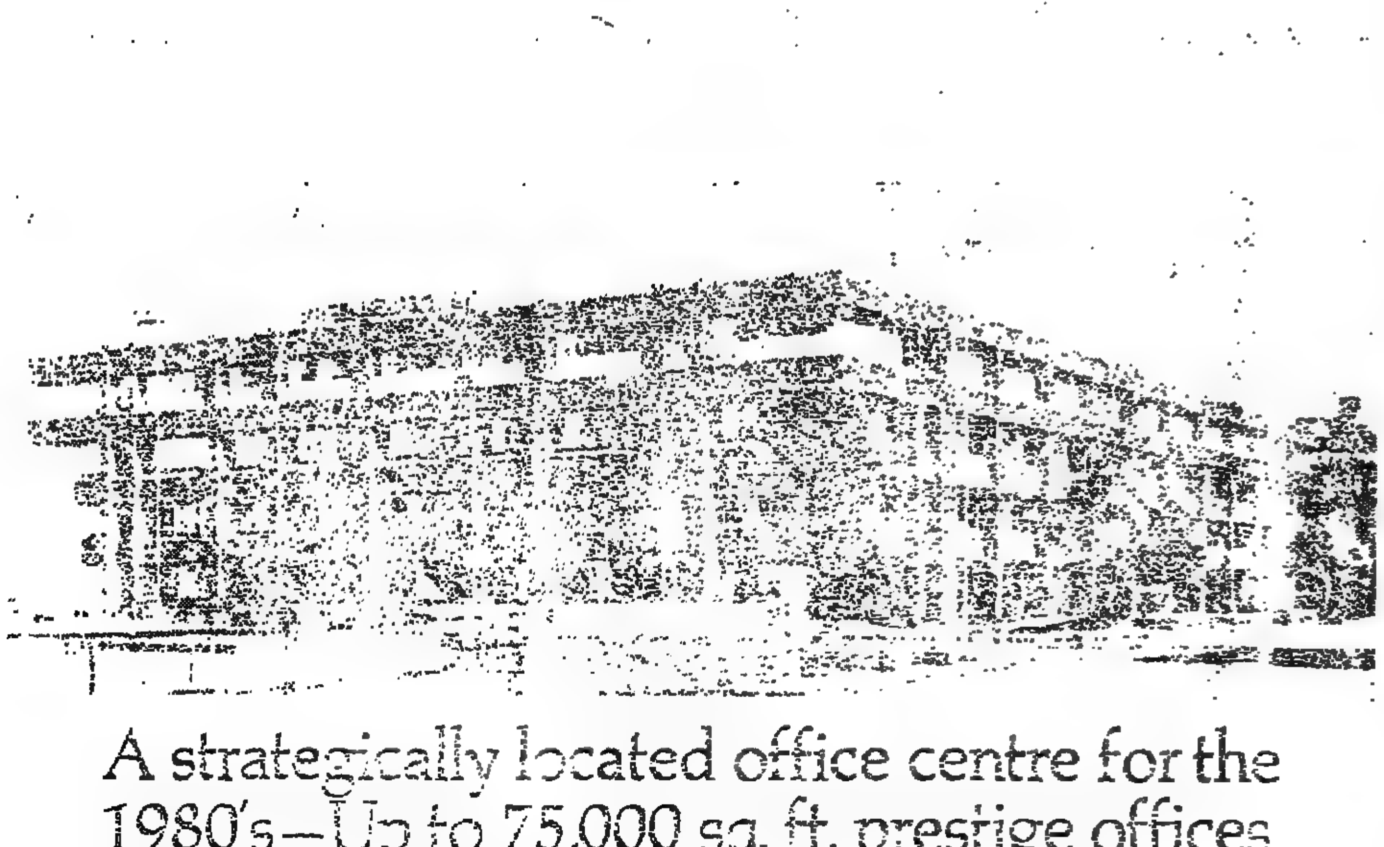
Iran hold-up hits Thos. Robinson

A hold up of goods due to be shipped to Iran affected the half-year results of Thomas Robinson and Son, engineer and machine maker. As reported yesterday, pre-tax profits for the first half of 1979 declined from £391,000 to £176,000, on marginally higher turnover of £3.65m against £3.5m.

The Board explains that the results disappoint mainly because *goods* that have been manufactured and packed ready for shipment to Iran have been held up at the company's works awaiting clearance of formalities.

The value of this production is reflected in increased stocks and work in progress at the end of June. However, there are *hopeful signs that shipment will* start again before the end of the year.

The company's order book will enable it to keep in full production beyond the end of the year and, subject to early settlement of the engineers' national dispute, the Board anticipates a *satisfactory result for the year*.



UK COMPANY NEWS

Stewart Wrightson hit midway by strong pound

REFLECTING the more difficult environment for its insurance subsidiaries, taxable profits of **Stewart Wrightson Holdings** slipped from £4.77m to £4.21m in the first half of 1979.

Mr. Gordon Henry, chairman of the group, which changed its name from Matthews Wrightson Holdings in June, say there is little sign of any improvement. Furthermore, he adds, results will continue to be affected by exchange rate fluctuations. For the whole of last year, profits reached £10.93m (£8.47m).

The insurance broking results have been hit by the overcapacity in world insurance markets and the consequent reduction in premium rates. Brokerage growth in local currency terms was therefore lower. In addition, the strength of sterling against the foreign currencies in which around 70 per cent of the group's worldwide income is earned further reduced income value in sterling terms.

Expenses rose more rapidly than income and, although the higher interest rates led to increased interest earnings, insurance broking profits were below last time. Insurance companies profits were higher, while the group's Lloyd's underwriting agency turned in a similar surplus.

Although the shipping market has shown some improvement recently, Galbraith Wrightson's profits—also hit by the strong pound—were lower. The group continued to suffer losses under the arrangement whereby three oil tankers are chartered to Bergen Shipping Partners.

Turnover for the half-year was marginally higher at £33.75m, compared with £33.1m. Tax took £1.91m (£2.35m). The net interim dividend is raised from 3.5953p to 3.85p—last year's final was 7.4597p.

There is an extraordinary debit of £457,000, against a credit of £159,000. This includes a payment of £490,000 in settlement of a claim for alleged breach of warranty for the sale in 1970 of London and Edinburgh General Insurance Co. This, the chairman says, will remove the contingent liability noted in the balance sheet for some years.

The extraordinary debit also includes a £443,000 profit on sale of shares in American Re-Insurance Co., and a net unrealised exchange loss of £410,000 (£159,000 gain) on long-term assets and liabilities.

The results include a provision of £147,000 (£148,000) for interest payable on the amount of convertible unsecured loan stock now outstanding.

	Six months 1979 £000	1978 £000
Turnover	33,754	33,104
Trading profit*	2,554	3,593
Int. and inv. income	2,165	1,653
Interest payable	627	601
Associates	116	[illegible]
Profit before tax	4,208	4,768
Tax	1,909	2,347
UK	671	1,149
Overseas	1,238	1,198
Net profit	2,299	2,419
Minorities	399	303
Extraordinary debit	457	†159
Attributable	1,443	2,275
Dividends	637	594

* After charging £105,000 (nil) for employee share scheme. † Credit.

● comment

There is little to become excited about in the uninspiring figures from Stewart Wrightson. Over capacity in world insurance markets has led to cut-throat competitive conditions, with premium rates slashed and brokerage growth pegged. Expenses, rising in line with inflation, have outpaced brokerage growth and currencies have played havoc with eventual earnings. A strong pound does not help a group with 70 per cent of its earnings overseas and large UK expenses yet a 29 per cent downturn in trading profit has been reduced to an 11.7 per cent fall at the pre-tax level, thanks to an improvement in net interest received of £440,000, and an improvement in associates. The new agreement on the ship charters has yet to be signed, and has therefore not reduced the income in charter hire income receivable. The shares at 188p down 12p yesterday are likely to respond to any news that suggest that currencies are working in favour of high overseas earners, but the short-term outlook on the trading front is not encouraging.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Anglo American Industrial, Church and Co., Eucalyptus Pulp Mills, George Spencer, Wagon Finance.

Finals—Blackwood Morton, Parker Timber, Stoddard Holdings.

FUTURE DATES

Interims—	
Babcock and Wilcox	Sept. 12
Dorada Holdings	Sept. [illegible]
Garnar Scotblair	Sept. 5
Invergordon Distillers	Sept. 4
London and European	Sept. 6
Northern Engineering	Sept. 6
Portals	Sept. 6
Ward White	Sept. 20
Finals—	
Arbuthnot Govt. Secs. Trust	Sept. 5
Diploma	Sept. 4

SAI up £0.7m at six months

TAXABLE profits of Scottish Agricultural Industries, a subsidiary of Imperial Chemical Industries, improved from £1.1m to £1.8m for the first half of 1979 on turnover ahead £3.1m to £38.7m.

And the directors say despite the continuing pressure of inflation on costs, they believe second half results should be reasonably close to the £3m for 1978—a peak of £4.89m was achieved in 1977.

The net interim dividend is increased to 5.75p (5p) net per £1 share, reflecting the first half's profit improvement. The directors say the final payout will be considered against the full year's results—the final for 1978 was 7.5p.

The profit for the first half of 1978 was low because of two main factors: adverse market conditions in the animal feed business and a reduced volume of sales of fertilisers, particularly exports.

The directors point out that the 1979 spring sales of fertilisers improved and, in addition, the new "nitram" fertiliser plant yielded product which previously had been purchased for resale.

Market conditions in the animal feed business had improved towards the end of 1978 and, although still not satisfactory, permitted an improved performance in 1979, they state.

Useful contributions to the improved results were made by cereal seeds, grass seeds, crop chemicals and animal health products.

Although the transport difficulties at the beginning of the year caused suspension of delivery of some products, the spring weather was such that later delivery was still in time for usage, so sales recovered.

	Six months 1979 £m	1978 £m
Sales	38.7	35.6
Depreciation	0.5	0.4
Profit before tax	1.8	1.1
Tax	0.9	0.6
Profit after tax	0.9	0.5
Dividends	0.5	0.4

● comment

Scottish Agricultural's first-half profits rise of almost two-thirds has to be viewed against adverse results for the comparable period, when demand for both fertilisers and animal feeds in Scotland (the company's main catchment area) was at a low ebb. This year has seen a substantial recovery, in spite of the lorry drivers' strike and bad weather conditions in the first quarter. Exports helped a little as well as the new fertiliser plant. However, in spite of the overall improvement, prospects are unexciting. Scottish agricultural production is fairly static and the company finds it difficult to improve margins due to intense competition. The only growth area is probably crop chemicals and animal health products, but these activities are only a very small part of SAI's overall business. These prospects are reflected in the ratings—the prospective fully-taxed p/e is 6.6 if the company's forecast of roughly £4.9m pre-tax is achieved, while the yield is 11.3 per cent on a 14.3p net payout, assuming the 15 per cent interim increase is extended to that final.

£817,000 profit for Britannia

IN THE first six months of 1979, **Britannia Arrow Holdings**, the investment banking and unit trust management group formerly known as Slater Walker Securities, achieved a pre-tax profit of £817,000 compared with a £38,000 loss for the same period last year.

Profits from the investment management division improved from £959,000 to £1,179,000, but investment income was reduced at £33,000 (£105,000) and the contribution from the property side fell from £206,000 to £107,000. Overhead expenses, however, including net interest receivable, were well down at £607,000 (£1,308,000).

The Board states that the company's major trading activity has continued to be highly successful, both in terms of investment performance and profitability, although the level of profits of the investment management division in the second half is not expected to match those of the first period.

It is hoped to extend the range of products later this year and expand geographically by opening a branch in the Isle of Man and a representative office in the Bahamas.

Tax took £83,000 (£34,000) for the period and extraordinary credits were ahead from £291,000 to £716,000. Earnings per 25p share are shown at 0.87p (0.2p). The last dividends totalled 5.2565p in respect of 1974.

Extraordinary items comprise profits of £806,000 (£627,000) on sales and liquidations of group companies and investments, less a net loss of £79,000 (£351,000) on exchange and a miscellaneous £11,000 debit (£15,000 credit).

● comment

Britannia Arrow shares are still trading below par value and events below the line still capture as much attention as those above it. But the Siemssen Hunter bid provided the first tangible evidence that the group is aiming to enhance its status as a cash shell with a successful unit trust management offshoot. Overhead pruning has probably been taken as far as is reasonable, overseas loans, with two small exceptions, are now matched, the arrears of preference dividends was cleared last year and interest receivable increased by some £700,000 at the interim stage as the pace of liquidations and disposals accelerated. Despite the proposed Siemssen acquisition, coupled with the purchase of possibly important stakes in West of England Trust and Mercantile House, cash balances which totalled £16m in the last accounts are still healthy and further deals may well be on the way. Investors who took a speculative view of the shares at the 1979 low of 16p have every reason to be pleased with an advance to the current price of 22½p. There is no reason to suppose that they are about to be disappointed.

House Property at £79,348

Pre-tax income of **House Property Company of London** expanded from £20,841 to £79,348 in the first half of 1979. This includes a surplus of £61,748, against £14,587, on property disposals and ground rents.

Tax for the period took £17,500 (£4,000) leaving the net balance at £61,848 (£16,841). There is an interim dividend of 1p net—last year a single payment of 2.1p was made from taxable profits of £109,000.

Stewart Nairn hopes for relisting in October

Stewart Nairn Group, the hosiery and knitwear concern, has applied to the Stock Exchange for a re-listing, says Mr. N. I. E. Ostrom, the chairman, in his annual statement. The group's quotation was suspended in April 1973.

Mr. Ostrom adds that he hopes the re-quotation will take place eary in October.

In the year to March 31, 1979, the group lifted taxable profits from £48,464 to £101,164. In 1977 the company returned to profit with a taxable surplus of £20,778. The previous year it had reduced losses £12,949.

The chairman says that last year turnover of the import division rose 143 per cent to £913,817 — group turnover totalled £2.36m. Douglas Jackson Import Export was bought during the year.

The hosiery division maintained profits in spite of lower demand than in 1978, and the merchanting company continues to make creditable progress.

On the knitwear manufacturing side the new management is in full control and production has increased since the time of acquisition. Maidment Knitwear and Stylon Products which make knitted outwear were both bought during last year.

Mr. Ostrom adds that good forward sales have been achieved by both import and manufacturing divisions.

The balance sheet at the year-end shows fixed assets of £189,321 (£168,889). Net current assets of £318,325, against £295,201. There is a secured bank loan of £109,000.

Meeting, Hinkley, Leicestershire, on October 4 at 12.15 pm.

First half downturn at William Nash

A downturn in pre-tax profits from £369,000 to £207,000 is reported by **William Nash**, unquoted manufacturer of specialist paper, for the half year to July 2, 1979. Turnover rose by £0.6m to £5.64m.

The strong pound adversely affected the profitability of the company's export business in the period, the directors state.

Order intake continues to be satisfactory and they say every possible step will be taken to retain the company's market share consistent with adequate profit margins.

There is no half yearly tax charge (£100,000) and net profits were £207,000 (£269,000). The interim dividend is held at 5.5p per £1 share.

Tax boost for holders at Construction Hldgs.

SHAREHOLDERS in **Construction Holdings** will obtain substantial tax advantages from the proposed change in the company's status to an investment trust, Mr. J. F. Hanham, chairman, states in a letter to holders.

Although in practice the shares may be expected to be quoted at a discount to their net asset value, the Board believes this to be less important than the double taxation of capital gains which would arise if the company were to be placed in members' voluntary liquidation.

It is proposed to extend the current accounting period to September 30, 1979, by which time the consulting and engineering operations will have ceased. The Board forecasts that the profit after tax and extraordinary items for the 15-month period will be not less than £174,035.

They intend to recommend a dividend of 9.5p for that period as soon as the accounts are available. The dividend is expected to be paid not later than March 31, 1980.

Future dividends will depend on the net income earned on the company's investments, of which at least 85 per cent will be distributed. The Board intends to consider the resumption of interim payments.

Electrolux UK reaches £6.6m in first half

Electrolux Group in the UK produced record turnover of £78.4m (£61.1m) for the first half of 1979 with taxable profits at £6.6m (£6.2m).

Electrolux, the group's domestic appliance company, made a contribution to group turnover of £52.6m (£42.5m) and a pre-tax profit of £4.5m (£4.6m).

Group chief executive, John Redman, says "the transport drivers' strike particularly affected Electrolux and Flymo in the early part of the year."

Since then all group companies have been trading satisfactorily. However, the national overtime ban and the one-day strikes by engineerings are causing some disruption in our factories.

"Sales at home and for export are at a reasonable level. However, fierce competition is preventing us getting adequate price increases to recover our increasing costs. Moreover, the strong pounds is affecting our margins," adds Mr. Redman.

Erskine House increases dividend

In a period which was strongly influenced by a major disposal and acquisition, **Erskine House Investments** has produced profits before tax of £135,796 for the year ended March 31, 1979 compared with £250,849 for the previous year. Turnover was £12,526,476 against £15,957,797.

However, the final dividend is increased from 1.25p per share to 1.44p making a total for the year of 2.18p (1.91p).

The results for the year reflect the sale of Michael White and the acquisition of PPR Security Services, the company's entry into the Security Industry.

Both of these transactions took effect from the first day of the financial year. For the year to March 1978, Michael White produced profits of £23,592 from a turnover of £3,187,024, while in the year under review PPR incurred losses of £30,692 after financing and reorganisation costs.

The reorganisation of PPR has now been completed and following the installation of new equipment, the company is now on a much stronger commercial base. PPR was operating at a profit in the second half and a significant contribution to profits is forecast for the current twelve months.

The Bureaux de Change division performed well at a time when there was a substantial drop in tourism compared with the Jubilee Year of 1977. Despite the fall off in tourism, current trading is holding up well. Bank of England consent has been received to sell foreign currency.

CENTROVINCIAL

Centrovincial Estates intends to convert compulsorily the remaining capital shares into ordinary shares.

REFUGE ASSURANCE COMPANY LIMITED

HALF-YEAR STATEMENT 1979

	First 6 Months 1979 £'000	First 6 Months 1978 £'000	Year 1978 £'000
ORDINARY BRANCH			
New Sums Assured	50,581	44,543	91,645
New Annuities per annum	424	546	934
New Premiums per annum	1,824	1,517	3,659
New Single Premiums	321	347	583
INDUSTRIAL BRANCH			
New Sums Assured	62,685	58,567	112,332
New Premiums per annum	4,621	3,986	7,689
GENERAL BRANCH			
Total Premium Income	4,070	2,811	5,924

REFUGE
ASSURANCE COMPANY LTD

Chief Office: OXFORD ST, MANCHESTER M60 7HA

SYMONDS ENGINEERING CO.

Sales reach new record

The thirty-second Annual General Meeting of Symonds Engineering Co. Limited was held on August 30 in London, Mr. G. A. Rowley (Chairman) presiding.

The results for 1978/79 show an increase in profit before taxation from £192,495 to £221,492. Sales increased from £1,920,761 to a record of £2,176,821.

Your Board is recommending a total ordinary dividend for the year of 31% (1978—26.909%). The profit retained for the year amounted to £20,957 and the revenue reserves now stand at a total of £700,397.

Your Board also recommends a capitalisation issue of 1 ordinary share for each ordinary share held.

Although the results could be considered as reasonable, in light of these pressures, they still do not reflect the degree of effort and expertise that is exercised by our staff at all levels to attain a satisfactory profit.

The order book is good and whilst turnover for the first four months of the present financial year is showing an uplift as compared with a similar period for the year under review, I think it would be imprudent to forecast future results so early in the current year.

MINING NEWS

MIM base metal profits bounding ahead

BY JAMES FORTH IN SYDNEY

AUSTRALIA'S MIM Holdings, the Queensland copper-silver-lead-zinc group, turned in a bonanza for the year to June 30 with pre-tax earnings bounding to A$102.4m (£51.1m) from A$39.2m in 1977-78, the first time that the profit has passed the A$100m mark.

The final dividend has been raised from 6 cents a share to 12.5 cents (6.2p) and will be paid on the capital increased by the recent one-for-four scrip issue. The interim was unchanged at 4.5 cents. The 1977-78 total was 9 cents.

The good earnings reflect higher metal prices, increased sales and uninterrupted production throughout the year. The MIM chairman, Sir James Foots, said the outlook for the current year was excellent and that directors expected the relatively strong metals market to be maintained in the immediate future.

But he discounted any suggestions that the result provided any justification for talk of an excess profits or resources tax, which was proposed this week by the federal opposition in its "alternate budget" proposals.

Sir James stressed that MIM paid income tax of A$52.8m and royalties of A$21.6m in the latest year, and that further payments to Government included rail freight, sales tax and payroll tax.

Turnover for the year rose 47 per cent to A$555m. Lead prices set the trend with the average price rising 41 per cent to A$761 per tonne, silver prices rose 34 per cent to A$186 per kilogramme and copper 30 per cent to A$1,447.

Sales of silver rose 25 per cent to 502,307 kg and copper 8.1 per cent to 141,914 tonnes, but lead sales dipped 5.1 per cent to 145,258 tonnes. Copper ore treated dropped 5.5 per cent to 4.7m tonnes but copper output rose slightly because of higher ore grades.

Sir James said that MIM was "looking closely at other amenable lead-zinc deposits" which indicates it could be thinking of some development at either the 37m tonne Hilton orebody or the smaller, high grade, Lady Loretta deposit.

Hilton already has a large shaft, comparable to that at Mount Isa, as a result of work carried out several years ago to develop a major mine, but which was subsequently deferred.

MIM shares put on 11p to 218p in a generally buoyant Australian mining market yesterday.

Australian Government moves on Jabiluka uranium

PANCONTINENTAL MINING and Getty Oil, its U.S. partner, have cleared another hurdle in the way of developing the large Jabiluka uranium deposit in the Northern Territory of Australia, writes James Forth in Sydney.

Senator Jim Webster, the Environment Minister, recommended that the project should not proceed unless certain conditions were met.

The important points as far as the Jabiluka partners are concerned is that the project was not rejected outright on environmental grounds.

The Environmental Impact Statement submitted for Jabiluka proposed that the uranium would be worked entirely as an underground mine instead of the original proposal for an open cut operation. This was done to counter claims that Jabiluka would cause too much damage to the environment.

The partners must enter into satisfactory arrangements with the Commonwealth and Northern Territory Governments, seek further Government advice on environmental requirements if the project is approved and provide additional detailed design and operational information on the project as it becomes available.

Satisfactory arrangements must also be reached with the Northern Land council, which acts on behalf of the Aborigines, but this is already a requirement of the Aboriginal Land Rights Act.

Jabiluka would cost A$500m (£299.6m) for a 3,000 tonnes uranium oxide a year operation, rising to 4,500 tonnes within three years as higher grades are mined, and ultimately expanding to 9,000 tonnes a year when market conditions allow.

In London yesterday, Pancontinental shares rose 63p to 813p.

Earnings climb at NBH

NORTH BROKEN HILL, which mines silver-lead-zinc at Broken Hill, New South Wales, has boosted profits 59 per cent from A$15.6m to A$24.87 (£12.4m) because of higher world metal prices.

The final dividend is 8 cents (3.99p), bringing the total for the year to 12 cents against 8 cents in 1977-78.

Group sales also rose 59 per cent, from A$44m to A$70m. Mining profits rose from A$5.38m to A$10.88m, while income from the group's substantial investment portfolio rose from A$12.08m to A$13.87m.

The directors said prices for all the group's metals rose: lead from an average price of A$492.88 to A$730.51 a tonne, silver from A$138.50 to A$182.12 a kilogram and zinc from A$558.86 to A$641.78 a tonne.

Significantly the average prices were much higher in the final quarter with lead at A$1016 a tonne, zinc at A$735.90 a tonne and silver at A$230.21 a kilogram.

Strong market conditions for lead and silver have given NBH a good start to the current year and present indications are for a substantial growth in investment income as well.

The shares in London yesterday closed 13p higher at 127p.

ENDEAVOUR-UTAH JOINT VENTURE

Endeavour Resources, the Melbourne mining and exploration group, has agreed to option its porphyry copper deposits at Sulawesi, Indonesia, to **Utah Exploration of San Francisco**.

The company's link with a mining major has been in the offing for some months. Utah is to carry out a work programme during the option period, which lasts until August next year. If it exercises the option Endeavour will receive A$4.25m (£2.1m) and retain 1.25 per cent of net smelter returns from any mining venture which develops.

The companies now await the approval of the Indonesian Government. If this is not forthcoming by October 1, 1979, either may withdraw from the agreement.

ROUND-UP

Large tonnage potential has been indicated by drilling at "the significant lead-zinc-silver discovery" in British Columbia held by **Cyprus Anvil Mining** and **Hudson's Bay Oil and Gas**, according to Cyprus Anvil. But the weather and topography will limit drilling and testing this year, delaying the release of even a preliminary tonnage estimate.

* * *

Advocate Mines, the Canadian asbestos producer, had a 1979 second quarter loss of C$1.3m, bringing its loss for the first half of C$5.6m (£2.13m), compared with a loss of C$2.4m in the first six months of 1978. But fibre production is improving, cutting back the rate of loss.

* * *

First half earnings at **Consolidated Rambler Mines**, the Newfoundland copper producer, climbed to C$1.7m (£647,000) in the first half of this year from C$1m in the same period of 1978.

Blue Circle Industries Limited

Interim Results to 30 June 1979

Sales maintained in difficult first half.

	Half Year to 30 June 1979 £m	Half Year to 30 June 1978 £m	Year to 31 December 1978 £m
Turnover	228.3	198.8	436.7
Trading Profits:			
United Kingdom	10.0	11.3	24.4
Overseas Subsidiaries	2.7	2.6	8.7
	12.7	13.9	33.1
Share of Profits of Associates	9.7	9.0	21.8
Investment Income	1.9	1.7	3.9
	24.3	24.6	58.8
Finance Charges	3.7	3.3	7.2
Profit before Taxation	20.6	21.3	51.6
Special Contribution to Pension Funds	—	—	1.0
Profit before Taxation	20.6	21.3	50.6
Taxation	10.5	10.8	19.3
Profit after Taxation	10.1	10.5	31.3
Interest of Minority Shareholders	0.8	0.8	2.8
Group Share of Profits after Taxation	9.3	9.7	28.5
Earnings per £1 Ordinary Stock Unit	11.5p	12.0p	35.1p

Severe weather hit the construction industry this winter and the UK cement market suffered a 3½% downturn. Despite this, Blue Circle maintained home trade deliveries at 4.3 million tonnes.

UK profit has been greatly affected by rising basic costs and the impact of the increasing value of sterling on export revenue. The 13% increase in domestic cement prices in August will help to restore the situation and UK profits in the second half should consequently show an improvement.

Profits from our overseas operations have improved over the same period last year and have accounted for 57% of the Group's total earnings during this time. In order to expand further our international operations the Group is completing negotiations to acquire 82% of Fabrica de Cemento El, Melon, SA in Chile.

Profits before and after taxation would have been increased by approximately £12.4m (six months to June 1978 £10.0m) had depreciation been charged on historical costs.

An interim dividend of 3.8p per £1 Ordinary Stock Unit will be paid on 22nd October.

Blue Circle Industries Limited
Portland House, Stag Place, London SW1E 5BJ

1978 THE QUEEN'S AWARD FOR EXPORT ACHIEVEMENT

Property Security Investment Trust Limited

Rental Income up **Dividend Increase**

Extracts from the statement by the Chairman, Mr. A. R. Perry.

- Gross rents up from £3.18 million to £3.74 million.
- Total dividends 30% greater than last year.
- Pre tax surplus of £360,000 against deficit of £77,000 last year.
- Value of properties substantially in excess of previous estimates.
- New lettings at Newcastle, Goole and Kirkby.
- First phase in Holland fully let.
- Development in progress at Manchester, Aldershot, Uxbridge and Fleet.
- Further development planned at Tyne Tunnel and other sites.
- Prelettings to major companies of current developments.

Results for the year ended 31st March 1979

£'000s	1979	1978	1977
Rents receivable	3,735	3,177	2,948
Net property income	3,282	2,771	2,569
Surplus before tax and extraordinary items	360	(77)	(594)
***Ordinary dividend* per share**	1.6p	*1.3933p	*1.2503p
Share capital and reserves	34,972	16,267	13,815

*Adjusted for scrip issue

Copies of the complete Report and Accounts may be obtained from the Secretaries, W. H. Stentiford & Co., 1 Love Lane, London EC2V 7JJ.

UK COMPANY NEWS

Mixconcrete falls to £0.24m but predicts better second-half

AS PREDICTED the taxable profits of **Mixconcrete (Holdings)** are lower at midway after the group was hit by the severe weather and the lorry drivers' strike. On turnover ahead from £13.6m to £15.3m the pre-tax surplus fell from £626,000 to £242,000 in the half-year to May 31, 1979.

But the company says that in the second half demand has been more buoyant and given reasonable weather during the final quarter the results for the year should compare favourably with those of 1978. In that year the taxable surplus jumped from £1.2m to a record £2.07m.

The interim dividend per 25p share is 1.55p net, against 1.4281p. Last year's total payout was 3.567p.

Tax for the half-year takes £126,000, compared with £326,000.

Intl. Harvester GB forms finance unit

The **International Harvester Company of Great Britain**, a unit of the U.S. company, has set up a finance subsidiary—International Harvester Credit Corporation of Great Britain.

The new unit has an authorised capital of £10m. Initial paid-up capital is £6m and additional capital will be paid-up as required.

The company said the move was intended to improve its British market share of farm tractors and construction equipment by providing financing services.

Costs warning from Phillips Patents

Sales in Manchester had not increased as hoped but there had been a spectacular rise in costs, which would amount to £350,000 over the full year, says Mr. J. A. Rowland-Jones, chairman of **Phillips Patents (Holdings)**.

New price lists had been sent out last month and these would help reduce losses. Although the non-payment of a dividend was regretted, the Board felt this should be paid out of profits and not from windfalls, such as property sales.

Resolutions cancelling the preference share capital in exchange for 75p in cash for each preference share held were approved.

Optimism for C.H. Industrials

Optimism that the current year would produce a more accepable level of profitability for **C.H. Industrials** was expressed by Mr. T. M. Hearley, the chairman, at the annual meeting.

The Board's current expectation was for first half profits to be in excess of the same period of the previous year.

As already reported, taxable profits dropped from £799,000 to £624,000 for the year ended March 31, 1979 (on turnover of £14.68m (£12.87m).

Mr. Hearley added that to date, overall sales were about 15 per cent ahead of the corresponding period last year, and the improving trend in the level of profits mentioned in his statement with the 1978-79 accounts had continued.

The group manufactures automotive trim, building products, decorative trim and synthetic foam.

Wood Hall accepts $4m settlement

Wood Hall, a 73.2 per cent subsidiary of Wood Hall Trust, has accepted $4m from the pipeline authority in settlement of all litigation on the Moomba/Sydney gas pipeline contract.

Since the pipeline was completed in 1976, the company has taken all possible steps to obtain a just settlement of its claims, without success, said Wood Hall yesterday.

Although advised by senior counsel that the ultimate judgment of the courts should award a much larger amount, the directors concluded that it was in the best interests of the company and its shareholders to accept the cash settlement offered rather than face prolonged litigation.

After deducting the settlement amount, a loss of about $9.25m will result from the contract which will be reflected in the accounts to June 30, 1979 as arising from discontinued operations.

Apart from this, the company is operating profitably and the directors intend to recommend a final dividend at the same rate as last year.

URANIUM FIND IN NIGER

A FRENCH-Japanese-Niger consortium has found deposits of uranium ore in borings taking place in West Afasto, Niger, near the southern end of the Sahara Desert, according to the Japanese partner, writes **Richard C. Hanson from Tokyo.**

The findings are still preliminary, but some samplings have shown fairly high levels of purity. The ore has been found at depths of 700 feet.

The consortium consists of the Japanese Overseas Uranium Resources Development Company, the French nuclear fuel corporation, Cogema, and the Niger Government. Exploration has been going on since 1977.

The Japanese consortium is made up of 30 Japanese companies.

BIDS AND DEALS

Reliance accepts restrictions

Reliance Group has accepted restrictions on its use of the shares in **Rothschild Investment Trust** which it will receive through its partial offer.

When the offer was announced earlier this month, Reliance said it had agreed not to increase its holding beyond 20.1 per cent. In addition, Reliance has also given the Hon. Jacob Rothschild a partial veto on how it may use its shares.

Reliance is to put its shares into a trust of which the Hon. Jacob Rothschild and Mr. Saul Steinberg, chairman of Reliance, will be trustees. The voting rights of the shares will generally require the unanimous agreement of the trustees and the trust will not be able to accept a take-over bid without unanimous approval.

Reliance has made a separate agreement with *Rothschild* Investment Trust that if Reliance wants to sell its stake, RIT will have three months to find a buyer of its own choice. The arrangements are revealed *in an appendix* to the formal offer document sent to RIT shareholders yesterday.

JARDINE/HOGG ROBINSON DEAL

Jardine, Matheson and Co. has agreed in principle to buy **Industrial Freight** from the **Hogg Robinson Group.**

Industrial Freight is a medium size air and surface forwarding agent with five offices in the UK. It is the intention to merge its activities with those of Matheson Freight Services.

MID-EAST CHANGE FOR STENHOUSE

A. R. Stenhouse Reed Shaw and Partners has taken a 45 per cent interest in a new company ased in Lebanon called Reed Stenhouse Middle East. The other shareholders are Mr. Nohad Chemali and Mr. Nazem el Khoury, who has also been appointed its general manager.

The new concern will have operational responsibility for Stenhouse's Middle East business and will bring together the interests of Arab insurance management services, insurance broking services and *Stenhouse* Reed Shaw (Middle East).

TESCO/CARTIERS GOES UNCONDITIONAL

Tesco's offer for **Cartiers** has been declared unconditional in all respects, and has been extended until further notice. This follows clearance from the Monopolies and Mergers Commission.

HANSON HAS 24.1% OF LINDUSTRIES

Hanson Trust has acquired a further 461,430 ordinary shares in **Lindustries** at 135p, bringing its holding to 24.1 per cent. Purchases include 405,000 bought yesterday following the Board's advice not to accept the offer.

MERCK/ALGINATE UNCONDITIONAL

The offers made on behalf of Frosst for the whole of the new ordinary, deferred and preference share capitals of Alginate have been declared *unconditional.*

Acceptances have been received for 5,095,437 new ordinary and deferred shares of 25p each of Alginate representing 93.38 per cent.

Acceptances of the preference offer have been received for 397,389 7½ per cent cumulative preference shares of £1 each (effectively reduced to 5¼ per cent by the Finance Act 1972), representing 60.74 per cent.

The offers remain open until September 12, 1979.

NO PROBE

The proposed acquisition by Coats Patons of Guterman and Co. KG is not to be referred to the Monopolies Commission.

SHARE STAKES

Milford Docks Company: Scanoil has acquired 10.500 shares making holding 66,500 shares (8.52 per cent).

London Scottish Finance Corporation: Goseford Financial Management acquired 10.000 shares on August 21 and 10.000 on August 23 making holding 1,935,530 shares (24.55 per cent).

W. E. Norton aiming for sharp growth

With its order book currently at a record level **W. E. Norton (Holdings)** is aiming for a considerable increase in business in the current year, says Mr. W. E. Norton, the chairman.

The recent strength of sterling has given the group greater purchasing power to import machine tools, which represent over 65 per cent of its total sales of machine tools.

"Equally the export of machine tools is unhindered as such sales are mostly made because of prompt delivery and suitability for specific workloads and the parity of sterling has little effect on such transactions," the chairman explains.

Acquisitions by Norton in recent years have been carefully planned to give the company a *better market share and its most* recent purchases of Sidney H. Jackson and Smith (Tools) and Sidney H. Jackson (1960), will further strengthen the geographical coverage, he says.

For the year to March 31, 1979, the group lifted taxable profit to a record £740,000 (£647,000) on sales £5.5m up at £15.55m. As reported with results on August 3, the net dividend is effectively raised to 0.8154p (0.2901p).

The company has decided to repay its £0.6m three-year medium term loan at an accelerated rate. The amount outstanding has now been reduced to £0.1m with final payment in February, 1980—18 months early. Barclays Bank no longer holds a debenture as security for the company's banking facilities.

At year-end, bank overdrafts totalled £1.01m (£0.91m) and net assets were up from £1.77m to £2.97m. Authorised capital spending amounted to £80,000 (£194,000) of which £25,000 (£108,000) had not been contracted.

It also opened seven new showrooms and offices including one in Houston, Texas, and formed a leasing company, called Mercantile Leasing, in partnership with Mercantile Credit Co.

Meeting, Royal Automobile Club, SW, on September 20 at noon.

Extracts from the Governor's Statement

Bank of Ireland

The following are extracts from the Statement delivered by the Governor to the Annual General Court of Proprietors on Wednesday, 29th August, 1979.

Results

The profit attributable to the Capital Stockholders of the Bank, after allowing for taxation and minority interests, amounted to IR£29,038,000, an increase of 13.8% over the 1978 performance.

The growth in profits has enabled your Directors to recommend that *IR£21,498,000 be retained by the Bank out* of profits and added to Reserves to support the continuing growth of the business and also to pay a Second Interim Dividend of 11p per IR£1 of Capital Stock. This, with the Interim Dividend already paid, makes a total of 17.5p for the year to 31st March, 1979, compared with 15p in respect of the previous year.

A professional valuation of the Group's properties at 1st January, 1979 showed an increase of IR£10.3 million over book value at that date and this valuation has been embodied in the accounts. When allowance is made for this, there was an improvement of IR£8.9 million in the value of Stockholders' interest after taking account of the decline in the value of money during the year. The total assets of the Group reached IR£2,753,587,000 on 31st March, 1979, as compared with IR£2,117,861,000 in the previous year while advances to customers were IR£1,630,999,000 compared with IR£1,101,911,000.

The Bank and Subsidiaries

During the year, the Bank restructured its organisation in the largest of its operating divisions, Area East, with Dublin City becoming a separate Area under its own General Manager. I am glad to say that the new structure is settling down satisfactorily and our experience so far confirms that it was well-founded.

A noteworthy addition to our Branch network during the year has been our branch at Head Office, Lower Baggot Street, Dublin. In Northern Ireland, the Bank has acquired premises for a new branch at Glengormley. Rationalisation of branches was effected at Newbridge, New Ross, Thurles and Fairview, Dublin.

Our City Office in London and our branch network in the United Kingdom also enjoyed a very successful year and now form a well-established and successful part of the Group.

Our new branch in New York is trading ahead of expectations at the end of its first full year. The response of the Irish community in New York to the presence of Bank of Ireland there is most encouraging.

The Investment Bank of Ireland Limited faced a number of trading difficulties in the early part of the year, and made an exceptional payment of which Stockholders are already aware. However, in the second half of the year, corporate finance activity increased and I.B.I. was able to expand its business substantially. The net result was a slight reduction in earnings as compared with the previous year.

Bank of Ireland Finance Limited enjoyed a particularly buoyant year both in terms of lending volumes and of profits. Earnings for the year increased substantially over the previous year, both in Ireland and in its wholly-owned subsidiaries, Bank of Ireland Finance (N.I.) Limited and Bank of Ireland Finance (U.K.) Limited. In May, 1978 Bank of Ireland acquired the entire issued *ordinary share capital of British Credit Trust* Limited from Northern Foods Limited of Hull, England. The acquisition has given us a strong base in the consumer finance market in the U.K., and a national network of branch offices through which financial services to commerce and industry can be marketed.

Chase and Bank of Ireland (International) Limited also made considerable progress, in particular in the second half of the year.

The Bank's Activities

During the year, advances to agriculture *reached a record level. The Bank* maintained its schemes to assist farmers in developing their farms, to encourage younger persons to take up agriculture as a career and to promote the expansion of agribusiness. Special schemes were introduced to promote greater efficiency in beef production and to encourage drainage in association with co-operative business. The Bank's professional advisory staff has been increased substantially to support *these initiatives.*

The Bank's corporate lending department has been very active in meeting the financial requirements, not only of many Irish firms but also of the majority of the foreign firms which have been set up in Ireland. Our overseas offices have been engaged in encouraging foreign industrial investments in Ireland, both North and South. The Bank is placing progressively greater emphasis on joint ventures between Irish private or public enterprises and foreign investors.

While a major contribution towards industrial expansion must continue to come from foreign investment, a growing contribution from indigenous enterprise is essential. During the year, the Bank devised a scheme to provide entrepreneurs with financial services on favourable terms and with management expertise, in ways that would not stifle the spirit of individual initiative. The response to this new scheme has been most heartening. The recently *published IDA Industrial Plan 1978-82* provides not only a measure of the task ahead but a valuable framework within which the Bank can organise and expand its efforts to promote the growth of industrial employment.

Staff

The substantial progress achieved during the year would not have been possible without the skills and commitment of the staff of the Group. The good relations established with many new customers, the development of services to meet the needs of particular sectors and activities, and the handling of the problems of customers arising from the new conditions created by EMS entry, all reflected credit on staff at every level.

The Economic Environment

The major financial event of the year was the establishment of the European Monetary System on 13th March, 1979. *This regime is radically different from the* previous arrangement by which the external value of the Irish pound moved in line with that of sterling.

Irish exchange controls were introduced in December, 1978 as a necessary part of the adjustment towards the new exchange-rate regime. Following the decision of the U.K. Government not to enter EMS, there was the possibility of a break in the historic parity of the Irish pound with sterling, and thus the emergence of an exchange risk for transactions between the Republic of Ireland and the U.K. The break occurred at the end of March, 1979.

The developments resulted in substantial flows of funds, as customers switched their deposits and their borrowing both as between the U.K. and Ireland, and as *between the Associated and the* non-Associated Banks. The net effect of these flows through the banking system was significantly adverse to the market for Irish gilt-edged securities, and in the Dublin *Inter-Bank Market the supply of money* became inadequate to satisfy the additional demand created.

Domestic interest rates were forced up as a new demand for credit in Irish pounds came from those customers who sought to protect themselves against the exchange risk of sterling borrowing. This burden fell mainly on the Associated Banks and was one of the principal causes of the significant increase in lending. These changes have created difficulties not only for the public but also for the Banks.

In addition, entry into EMS has created the need to establish an effective Foreign Exchange Market to service customers, *help to promote trade and facilitate the* Central Bank in its management of the currency.

Current Year

As 1979 advanced, there was a general disimprovement in the economic outlook. As a result of the rise in oil prices, and of the domestic effects of industrial disputes *and pay increases not adequately matched* by productivity, the earlier forecasts of growth in national output and employment have regrettably to be discarded.

I doubt that there is yet any clear general understanding that by joining the EMS we have chosen to assume, day by day, full responsibility for our own financial and economic well being. It is a responsibility which properly understood should be a matter of community concern and which, effectively discharged, would be a source of national pride. The responsibility faces us now. The country's problems are serious and complex. Within EMS, they must be tackled directly and any failure to do so will inflict serious damage on Irish society and the prospects for expanding output and employment.

The maintenance of the central parities of the Irish pound with other EMS currencies must be given precedence in the mix of economic policies. The benefits of a stable exchange rate, and the constraints which *its maintenance imposes on the actions of* Government, employers and workers, are well understood by those responsible for *managing individual businesses and the* economy as a whole. They must face the realities every day in the course of their work, as they meet and trade with their opposite numbers in other countries. It is important that these same realities should be fully understood and accepted at all levels and in all sectors.

The disadvantage imposed on us by the rise in oil prices can be offset only by the export of more Irish goods to pay for the imports we need. To achieve this in a weak market, our goods must be competitive in price and *quality, as they must be also for success on* the home market. Ireland's *responsibility for maintaining the competitiveness* of its products has been increased rather than diminished by the problems originating in higher oil prices and in the slowing down in the growth of world trade. The task is not made easier for any of those involved by the fact that the pay increases set out in the revised National Understanding are relatively high in comparison with those occurring in other EMS countries.

In this combination of circumstances, the maintenance of parity within EMS makes firm control over the growth of domestic credit and money supply unavoidable. The Central Bank's ceilings on bank lending are therefore necessary and understandable. These ceilings, together with the moderation of pay expectations and strict control of the size of the overall budget deficit, constitute the 'matching discipline' which, last December, the Taoiseach emphasized was required to attain the very real benefits of EMS membership.

Since the beginning of the year, the Bank has responded to the emerging financial situation by moderating the availability of credit and has done so as gradually as possible so that activities of value to the *economy would not be unduly inhibited.*

The Bank's aim is to provide its customers with the services they need in adapting to the new environment created by EMS membership. The Bank will do its best to *meet their needs for credit for necessary* productive purposes. This will be difficult in the period ahead and will necessitate the *subordination of lending which facilitates* changes in the ownership of existing assets and consumer spending to the provision of credit which results in the creation of new jobs and of new output that can be sold competitively.

Whatever may be the difficulties of the present year, entry into EMS strengthens the opportunity provided for Ireland by EEC membership of creating the wealth necessary to support balanced economic and social progress. Such wealth can be created only by attracting high investment, *domestic and foreign, in wealth-creating* activities in the market sector of the economy. Such investment can be attracted only by lower rates of inflation, competitive cost structures, sensible industrial relations and a stable currency.

As you will know from what my predecessors and I have said in the past, these matters have long been the concern of the Bank. I believe that the opportunity to be of service in respect of them is now greater than ever.

William Finlay,
Governor.

Consolidated Profit and Loss Account for the year ended 31st March, 1979

	IR£000	1978 IR£000
Operating Profit		
The Bank	37,167	35,754
Subsidiaries	9,743	7,098
Profit before Taxation	46,910	42,852
Taxation	17,478	17,026
Profit after Taxation	29,432	25,826
Minority Interests in Subsidiaries	394	306
Profit attributable to Capital Stockholders of the Bank	29,038	25,520
Dividends	7,540	5,366
Retained Profit transferred to Revenue Reserves	21,498	20,154
Earnings per IR£1 of Capital Stock		
Basic	69.9p	74.2p
Fully Diluted	69.1p	67.8p

Consolidated Balance Sheet at 31st March, 1979

	IR£000	1978 IR£000
Capital and Reserves		
Capital Stock	43,087	38,335
Capital Reserves	26,696	7,013
Revenue Reserves	114,245	94,357
	184,028	137,705
Loan Stocks	9,525	16,533
Minority Interests in Subsidiaries	3,661	2,892
Deferred Taxation	34,587	16,898
Current Liabilities		
Notes in Circulation	7,240	6,993
Deposit, Current and Other Accounts	2,501,849	1,912,691
Current Taxation	7,958	20,516
Proposed Final Dividend payable 6th July, 1979	4,739	3,633
	2,521,786	1,943,833
	2,753,587	2,117,861

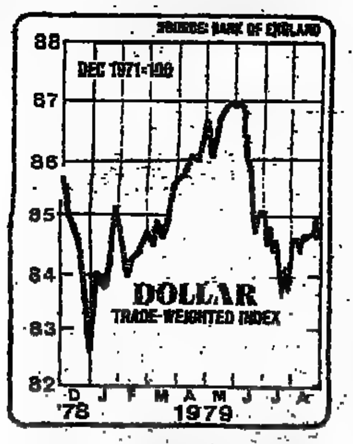
	IR£000	1978 IR£000
Current Assets		
Liquid Assets	590,442	543,198
Investments	404,859	397,053
Advances to Customers, other accounts and balances outstanding under hire purchase and other *instalment agreements, less provisions*	1,630,999	1,101,911
	2,626,300	2,042,162
Equipment in hands of Lessees	70,665	35,469
Investments in Associated Companies	4,706	1,832
Bank Premises, other Properties and Equipment	51,916	38,398
	2,753,587	2,117,861

CURRENCIES, MONEY and GOLD

Dollar and pound weak

The dollar lost ground in fairly active trading in the foreign exchange market yesterday. Turnover was good, without any heavy pressure developing against the U.S. currency, although it may have received central bank support at times. Some switching out of dollars into gold probably took place, while the German D-mark may have gained from selling of sterling.

The pound opened at $2.2520-$2.2530, and ranged between $2.2425-2.2435 and $2.2545-2.2555, before closing at $2.2505-2.2515, a fall of 15 points on the day. Sterling's trade-weighted index, as calculated by the Bank of England, fell to 71.8 from 72.1, after standing at 71.7 at noon, and 72.0 in early trading.



The dollar's index, on Bank of England figures, fell to 84.7 from 85.0. The U.S. currency traded between DM 1.8195 to DM 1.8310 against the D-mark, and closed at DM 1.8230, compared with DM 1.8305 previously. The Bundesbank probably bought dollars at the lower levels. In terms of the Swiss franc, the dollar ranged between SwFr 1.6490 and SwFr 1.6640, before closing at SwFr 1.6550, compared with SwFr 1.6625 on Wednesday. The dollar also declined against the week Japanese yen, falling to Y219.80 from Y221.85.

FRANKFURT—The Bundesbank did not intervene when the dollar was fixed at DM 1.8233 against the D-mark, compared with DM 1.8316 previously. The sharp fall of the U.S. unit to around DM 1.82 during early trading was attributed to rumours that the D-mark will be revalued in the near future. Such rumours were privately described as "nonsense" by central bank officials, but the suggestion of any move by the German currency is likely to have an exaggerated effect in the present quiet conditions. On Wednesday the Belgian franc fell sharply to replace the Danish krone as the weakest memer of the European Monetary System, while the Danish currency continued to suffer from fears that it may be devalued to help cure Denmark's balance of payments problems. Support for the yen by the Bank of Japan may have contributed to the decline of the dollar against the D-mark, and it was also said that the Swiss National Bank sold $130m to support the Swiss franc on Wednesday.

TOKYO—The dollar continued to rise, finishing at Y221.67½ against the yen, compared with Y221.42½ previously. Trading was nervous and very hectic, with the Bank of Japan selling over $250m to support the Japanese currency. There were no new factors to influence the market in early trading, apart from speculative buying of dollars. There was increased pressure on the yen in Far Eastern centres towards the close however, on the announcement of the rise in Japan's trade deficit for the first 20 days of August, compared with the same period in July.

THE POUND SPOT AND FORWARD

Aug. 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2425-2.2565	2.2505-2.2515	0.47-0.37c pm	2.24	1.03-0.93 pm	1.74
Canada	2.6260-2.6405	2.6335-2.6345	0.60-0.50c pm	2.51	1.30-1.20 pm	1.90
Nethlnd.	4.48-4.54	4.49½-4.50½	2¼-1¼c pm	4.67	5½-4½ pm	4.44
Belgium	65.40-66.30	65.80-65.90	15-5c pm	1.82	40-30 dis	−2.13
Denmark	11.78-11.90	11.83¾-11.84¾	½ore pm-1½o dis	−0.51	2-4 dis	−1.01
Ireland	1.0865-1.0980	1.0905-1.0915	27-37p dis	−3.52	80-100 dis	−3.48
W. Ger.	4.08-4.13½	4.10-4.11	2⅞-1⅞pf pm	6.94	7½-6½ pm	6.45
Portugal	110.20-111.30	110.90-111.10	35-85c dis	−6.49	130-230 dis	−5.47
Spain	148.10-149.05	148.60-148.70	170-22c dis	−15.78	550-650dis	−16.15
Italy	1,830-1,844	1,837½-1,838½	1½lire pm-½l dis	−0.33	3¼-5¼ dis	−0.92
Norway	11.27-11.38	11.32½-11.33½	3-1ore pm	2.12	7½-5½ pm	2.29
France	9.51-9.63	9.57¾-9.58¾	2¾-1¾c pm	2.19	3¾-2¾ pm	1.36
Sweden	9.44-9.53	9.48½-9.49½	2ore pm-par	1.26	3-1 pm	0.84
Japan	488-503	494½-495½	3.05-2.75y pm	7.03	8.45-8.15 pm	6.71
Austria	29.80-30.20	29.87-30.02	23-13gro pm	7.20	53-43 pm	6.40
Switz.	3.69½-3.76	3.72¾-3.73¾	4-3c pm	11.27	11½-10½ pm	11.67

Belgian rate is for convertible francs. Financial franc 68.55-68.75c pm. Six-month forward dollar 1.78-1.68c pm, 12-month 3.50-3.40c pm.

THE DOLLAR SPOT AND FORWARD

Aug. 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2425-2.2565	2.2505-2.2515	0.47-0.37c pm	2.24	1.03-0.93 pm	1.74
Ireland†	2.0600-2.0650	2.0575-2.0625	1.15-0.95c pm	6.12	3.0-2.70 pm	5.53
Canada	1.1701-1.1714	1.1701-1.1711	0.01-0.03c dis	−0.20	.01pm-.03dis	−0.07
Nethlnd.	1.9970-2.0080	1.9970-1.9990	0.52-0.42c pm	2.82	1.52-1.42 pm	2.94
Belgium	29.23-29.38	29.23-29.245	1.5c pm-1.0 dis	0.51	3-1 pm	0.27
Denmark	5.2585-5.2765	5.2585-5.2600	1.0-1.5ore dis	−2.85	3.25-3.75dis	−2.66
W. Ger.	1.8225-1.8310	1.8230-1.8240	0.75-0.65pf pm	4.61	2.25-2.15 pm	4.82
Portugal	49.20-49.33	49.20-49.25	25-35c dis	−7.31	75-115 dis	−7.72
Spain	66.04-66.11	66.04-66.07	80-100c dis	−16.35	265-285dis	−16.65
Italy	815.40-817.15	815.40-816.70	1.0-1.5lire dis	−7.84	5.60-6.10dis	−2.86
Norway	5.0275-5.0458	5.0330-5.0340	0.10-0.40ore dis	−0.60	1.0-0.50 pm	0.60
France	4.2500-4.2690	4.2500-4.2520	0.02cpm-0.08dis	−0.14	0.35-0.45dis	−0.38
Sweden	4.2140-4.2258	4.2140-4.2160	0.10-0.30ore dis	−0.57	0.80-0.90dis	−0.85
Japan	219.70-220.50	219.70-219.90	1.0-0.85y pm	5.05	2.85-2.70 pm	5.05
Austria	13.32-13.385	13.32-13.33	5.90-5.30gro pm	5.0	16.75-15.25pm	4.80
Switz.	1.6528-1.6620	1.6528-1.6536	1.35-1.30c pm	9.62	4.20-4.15 pm	10.10

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

August 29	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.577245	0.613476
U.S. $	10½	1.29793	1.38389
Canadian $	11¾	1.52104	1.62020
Austria Sch	3¾	17.3741	18.5170
Belgian F	9	38.1462	40.6364
Danish K	9	6.84983	7.29684
D Mark	5	2.37729	2.53194
Guilder	8	2.60884	2.77784
French Fr.	9½	5.54054	5.90178
Lira	10½	1061.71	1131.21
Yen	5¼	287.491	306.449
Nrwgn. K	7	6.56298	6.98707
Spanish Pta.	8	85.6777	91.3417
Swedish Kr.	7	5.48570	5.84342
Swiss Fr.	1	—	2.29699

CURRENCY MOVEMENTS

Aug. 30	Bank of England Index	Morgan Guaranty changes %
Sterling	71.8	−33.7
U.S. dollar	84.7	−8.6
Canadian dollar	80.5	−17.2
Austrian schilling	148.7	+19.6
Belgian franc	114.1	+13.4
Danish kroner	115.6	+2.4
Deutsche mark	182.2	+42.5
Swiss franc	197.6	+81.0
Guilder	124.1	+19.0
French franc	99.0	−7.4
Lira	56.4	−48.6
Yen	129.9	+28.2

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

August 30	£	$		£ Note Rates
Argentina Peso	3172-3192	1410-1420	Austria	29½-30½
Australia Dollar	1.9925-1.9965	0.8850-0.8870	Belgium	68½-69½
Brazil Cruzeiro	61.60-62.60	27.40-27.85	Denmark	11.80-11.95
Finland Markka	8.62½-8.64¼	3.8315-3.8395	France	9.55-9.65
Greek Drachma	82.087-84.149	36.45-37.40	Germany	4.05-4.15
Hong Kong Dollar	11.33-11.35	5.0520-5.0540	Italy	1,820-1,860
Iran Rial	158-165	70-74	Japan	495-505
Kuwait Dinar (KD)	0.618-0.628	0.2754-0.2765	Netherlands	4.45-4.55
Luxembourg Frc.	65.80-65.90	29.24-29.26	Norway	11.30-11.45
Malaysia Dollar	4.8550-4.8570	2.1630-2.1640	Portugal	108-114
New Zealand Dlr.	2.2165-2.2265	0.9855-0.9885	Spain	147-150
Saudi Arab. Riyal	7.52-7.62	3.3590-3.3600	Switzerland	3.70-3.80
Singapore Dollar	4.8820-4.8840	2.1590-2.1600	United States	2.24½-2.26½
Sth. African Rand	1.8730-1.8830	0.8320-0.8365	Yugoslavia	47-49

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 30	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.5526	+2.77	+1.47	±1.53
Danish Krone	7.08592	7.29330	+2.93	+1.62	±1.635
German D-Mark	2.51064	2.52868	+0.72	−0.58	±1.1325
French Franc	5.79831	5.89610	+1.69	+0.38	±1.35
Dutch Guilder	2.72077	2.76830	+1.75	+0.44	±1.5075
Irish Punt	0.662638	0.673535	+1.64	+0.34	±1.665
Italian Lira	1148.15	1132.33	−1.38	−1.38	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

August 30	PoundSterling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.251	4.105	495.0	9.578	3.728	4.500	1838.	2.634	65.85
U.S. Dollar	0.444	1.	1.824	219.9	4.255	1.656	1.999	816.5	1.170	29.25
Deutschemark	0.244	0.548	1.	120.6	2.333	0.908	1.096	447.7	0.642	16.04
Japanese Yen 1,000	2.020	4.547	8.293	1000.	19.35	7.530	9.091	3713.	5.321	133.0
French Franc 10	1.044	2.350	4.286	516.8	10.	3.892	4.699	1919.	2.750	68.75
Swiss Franc	0.268	0.604	1.101	132.8	2.569	1.	1.207	493.1	0.707	17.67
Dutch Guilder	0.222	0.500	0.912	110.0	2.128	0.828	1.	408.4	0.585	14.63
Italian Lira 1,000	0.544	1.225	2.233	269.3	5.211	2.028	2.448	1000.	1.433	35.83
Canadian Dollar	0.380	0.855	1.558	187.9	3.636	1.415	1.708	697.8	1.	25.00
Belgian Franc 100	1.519	3.419	6.234	751.7	14.54	5.661	6.834	2791.	4.000	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 11.75-11.85 per cent; three months 11.95-12.05 per cent; six months 11.95-12.05 per cent; one year 11.70-11.80 per cent.

Aug. 30	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	13⅞-14¼	11⅜-11⅝	10⅛-11⅛	8⅝-8⅞	¼-⅞	5 13/16-6 5/16	10⅛-10⅜	9-11	—	4¾-5¾
7 days' notice	14 1/16-14 5/16	11⅛-11¾	10⅛-11⅛	8½-8⅞	9/16-1 1/16	6⅞-7	10⅛-10⅜	11⅛-13⅛	10-10⅛	6-7
Month	14-14⅛	11¾-12	10⅛-10⅞	8⅞-9⅛	1 1/16-1 3/16	7 1/16-7 3/16	11⅞-12⅛	13-14	11 1/16-11 3/16	6 13/16-7¼
three months	14⅛-14⅜	12⅛-12⅜	11 5/16-11 7/16	9¼-9½	1 5/16-2 1/16	7¼-7⅜	12⅛-12¾	14⅛-15⅛	12 1/16-12 3/16	7-7¼
six months	14-14⅛	12⅛-12⅜	11 5/16-11 7/16	9 5/16-9 7/16	2⅛-2⅜	7⅛-7⅜	12 11/16-13⅛	15-16	12⅛-12¼	6⅞-7 1/16
one year	13⅛-13⅜	11¾-12	11⅛-11⅜	9 3/16-9 7/16	2⅞-3	7⅛-7⅜	12⅞-13⅛	15¼-15¾	11 1/16-11 5/16	6⅝-6 15/16

Long-term Eurodollar: two years 11½-11¾ per cent; three years 10 13/16-11 1/16 per cent; four years 10 11/16-10 15/16 per cent; five years 10⅝-10⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

German call money falls

Increased liquidity and technical factors pushed down call money rates sharply in Frankfurt yesterday. Day-to-day funds fell to 3.50-4.00 per cent from 5.90-6.00 per cent as the Bundesbank paid out an estimated DM 11m to credit institutions due to its pensioning facility. Another factor was the technical one of counting the 30th and 31st days of the month as a single day for interest purposes. Rates are expected to rise back to around 6 per cent today. One-month money increased to 7.15-7.25 per cent from 7.05-7.15 per cent yesterday, while three-month was unchanged at 7.40-7.50 per cent, and six-month at 7.60-7.70 per cent. 12-month funds were quoted at 7.65-7.75 per cent, compared with 7.70-7.75 per cent.

PARIS—Day-to-day money was unchanged at 10⅛ per cent. One-month was unchanged at 10⅞-11 per cent, while three-month was 11 1/16-11 3/16 per cent. Six-month funds were unchanged at 11⅜-11½ per cent, and 12-month eased to 11⅜-11½ per cent from 11 7/16-11 9/16 per cent.

BRUSSELS—Call money rose to 8.15 per cent from 8 per cent. One-month and three-month were quoted at 12-12¼ per cent compared with 12-12¼ per cent previously, with six-month at 11⅝-11⅞ per cent, compared with 11⅝-11⅞ per cent, while 12-month rose to 10⅞-11⅛ per cent from 10⅞-11 per cent.

AMSTERDAM — Call money was quoted at 8⅛-8⅜ per cent, compared with 8⅝-8⅞ per cent on Wednesday. One-month rose to 9⅛-9⅜ per cent from 9-9¼ per cent, and three-month was 9⅝-9⅞ per cent compared with 9⅛-9⅜ per cent. Six-month funds were unchanged at 9⅛-9⅜ per cent.

HONG KONG — The money market was fairly easy, with call money at 12⅞ per cent and overnight at 10 per cent.

UK MONEY MARKET

Small assistance

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

Day-to-day credit was in slightly better supply in the London money market yesterday, and the authorities gave only a small amount of assistance by buying a small number of Treasury bills from the discount houses, and by lending a small amount to three or four houses, overnight at Bank of England Minimum Lending Rate of 14 per cent.

Repayment was made of the large amount lent to the houses on Wednesday. On the other hand banks brought forward small surplus balances, there was a small net surplus of Government disbursements over revenue payments to the Exchequer, and the market was also helped by a small decline in the note circulation.

Discount houses paid 13¾ per cent for secured call loans at the start, and closing balances were found at 13-14 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Aug. 30 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills Φ	Eligible Bank Bills Φ	Fine Trade Bills Φ
Overnight	—	14-14¼	—	—	—	14½-14⅝	13-14	—	—	—
2 days notice	—	—	14¼	—	—	—	—	—	—	—
7 days or 7 days notice	—	14⅛-14¼	14¼-14⅜	—	14⅝	14½-14⅝	13¾-14	—	—	—
One month	14⅛-14	14 5/16-14 3/16	14⅛	15-14⅝	14⅛	14⅝	13⅞	13¼-13 5/32	14¼	14⅝
Two months	14⅛-14	14⅛-14¼	—	14¼-14	14½	—	13¾	13 5/16	14⅛-14 1/16	14⅜
Three months	14 3/16-14 1/16	14 1/16-14¼	14⅛-14¼	13⅞-13⅝	14½	14⅝	13 9/16	13 5/16-13 9/32	13 9/16	14⅛
Six months	13 9/16-13 5/16	13 7/16-13¾	13⅝-13¾	13½-13¼	14½	—	—	—	12¾	13¾
Nine months	13-12⅞	12 11/16-13 7/16	—	13¼-12⅞	13½	—	—	—	—	—
One year	12 9/16-12 7/16	12 13/16-12⅞	12⅝	12¾-12½	13¼	—	—	—	—	—
Two years	—	—	12⅞	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. * Long-term local authority mortgage rates nominally three years 12¾-12⅞ per cent; four years 12¾-13 per cent; five years 12¾-13 per cent. Φ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13½ per cent; four-month trade bills 14 per cent.

Approximate selling rate for one-month Treasury bills 13⅜ per cent; two-month 13 5/16 per cent; three-month 13 5/16 per cent. Approximate rates for one-month bank bills 14⅛ per cent; two-month 14 1/16 per cent; and three-month 13 13/16 per cent; one-month trade bills 14¾ per cent; two-month 14⅜ per cent; and three-month 14 per cent.

Finance House Base Rates (published by the Finance Houses Association) 14 per cent from August 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.3975 per cent.

GOLD

Further record

Gold touched an all-time high of $319¾-320¼ in very active trading in the London bullion market yesterday. It finished at a record closing level of $319-319¼, a rise of $3¼ on the day.

	Aug. 30	Aug. 29
Gold Bullion (fine ounce)		
Close	$319-319¼ (£141.75-142.1)	$315¾-316½ (£140-140.35)
Opening	$317½-318¼ (£140.85-141.5)	$315-315¾ (£140.1-141.45)
Morning fixing	$318.65 (£141.717)	$314.05 (£139.658)
Afternoon fixing	$319.15 (£142.034)	$316.20 (£139.809)
Gold Coins, domestically		
Krugerrand	$328-330 (£145½-146½)	$325-327 (£144-145)
New Sovereigns	$82-84 (£36½-37½)	$81-83 (£36-37)
Old Sovereigns	$116½-118½ (£51¾-52¾)	$116-118 (£51½-52½)
Gold Coins, internationally		
Krugerrand	$328-330 (£145½-146½)	$325-327 (£144-145)
New Sovereigns	$82-84 (£36½-37½)	$81-83 (£36-37)
Old Sovereigns	$116½-118½ (£51¾-52¾)	$116-118 (£51½-52½)
$20 Eagles	$469-474	$449-454
$10 Eagles	$275-280	$255-260
$5 Eagles	$230-235	$210-215

The metal opened at $317½-318¼, and was fixed at $318.65 in the morning, and $319.15 in the afternoon.

In Paris the 12½-kilo gold bar was fixed at FFr 46,000 per kilo ($336.48 per ounce) in the afternoon, compared with FFr 46,100 ($335.90) in the morning, and FFr 45,500 ($331.88) Wednesday afternoon.

MONEY RATES

NEW YORK	
Prime Rate	12.12.25
Fed Funds	11.25
Treasury Bills (13-week)	9.75
Treasury Bills (26-week)	9.69
GERMANY	
Discount Rate	5
Overnight Rate	3.75
One month	7.20
Three months	7.45
Six months	7.65
FRANCE	
Discount Rate	9.5
Overnight Rate	10.5
One month	10.9375
Three months	11.375
Six months	11.4375
JAPAN	
Discount Rate	5.25
Call (Unconditional)	6.6875
Bills Discount (three-month)	7

BANK REPORT ON GABON FINANCES

Outlook good as imports fall

BY FRANCIS GHILÈS

A REPORT recently completed on Gabon suggests that the stabilisation programme put into effect last year has helped to put the country's finances on a sounder footing. At the end of 1978, the total domestic and foreign debt of the Republic had declined by 15.5 per cent to $2.2bn compared with the figure at the end of 1977, although the foreign debt has increased over the same period from $1.39bn to $1.49bn.

This increase is explained by the inclusion in the figure for the foreign debt of commercial arrears, which amounted in 1977 to an estimated $661m and which was not included until last year.

Verification of claims and negotiations with the companies concerned has resulted in a reduction of $169m in the estimated amount of these arrears. Of the reduced total of $492m, principal repayments of $170m were made last year.

Foreign bank debt amounted to 48.4 per cent of the total debt of Gabon at the end of last year. Meanwhile, the service of all foreign debt absorbed 31 per cent of export receipts in 1978.

Gabon raised a $100m medium-term credit through Citicorp earlier this year. Budget requirements for 1979 suggest that Gabon may raise a further, but much smaller loan, later this year.

This report is the second on Gabon to be completed by a group of three banks, Kuhn Loeb Lehman Brothers, Maison Lazard and S. G. Warburg, who are known among other banks as the "triad," and who were appointed late in 1977 to advise Gabon on its financial affairs.

The report suggests that the outlook for Gabon is quite good. Imports fell sharply last year, not least because of a sharp cut-back in state spending. The cutback in imports was made easier by the fact that imports with less elastic demand, such as food and consumer goods, only constitute a small proportion of the total and were thus not affected.

Exports, meanwhile, remained at a high level despite a slight decrease in the value of crude oil exports. The trade surplus thus increased by 27 per cent in 1978 to reach a figure of $809m.

In 1979, the structure of the balance of payments should closely resemble that of 1978, with a large current account surplus and a continued net capital outflow in the public sector. However, the private sector capital account in 1979 is expected to show a large deficit due to an outflow of funds following the cash settlement of commercial arrears: this item should nevertheless be offset by a growth in exports following recent increases in the price of oil.

The report suggests further that the country's total debt could decline by a further $253m to below $2bn. Because the bulk of the government's income comes from exports, essentially of crude oil but also of manganese and uranium, the debt service ratio of 31 per cent is not viewed by banks as too high a burden for Gabon to bear.

The three banks which advise Gabon also act in the same capacity as financial advisers to four other countries: Indonesia, where they first came together to help the government untangle the foreign debt of the national oil company Pertamina, Turkey, Sri Lanka and Peru. Negotiations are currently underway which could add another name or two to this list.

EUROBONDS

Dollar sector remains weak

By Our Euromarkets Staff

A TECHNICAL rally in the straight dollar bond market pushed prices up by as much as half a point yesterday morning, but a renewed bout of weakness hit the market later in the day as the New York bond market opened weaker, particularly at the longer end.

Activity remained strictly professional in the dollar straight sector, with investors nowhere to be found.

The initial reaction to the $20m convertible for Asahi Optical appeared to be lukewarm, with Ross and Partners (Securities) suggesting a pre-market discount from the issue price of 1½-2 points.

Good turnover was reported in the Deutsche-Mark foreign bond sector, with prices very firm. The next public issue is the DM 200m for New Zealand through Commerzbank, which is expected to be announced this weekend.

In the Swiss franc sector, Nordfinanz-Bank is arranging a SwFr 45m public issue for Norges Hypothekforening: this 12-year bond carries a coupon of 4¾ per cent and the final price is expected to be fixed on September 4.

Nucor sees 24% profit increase

BY OUR FINANCIAL STAFF

THE North Carolina-based Nucor Corporation expects 1979 profit to rise by nearly 24 per cent to some $32m or $4.82 a share, according to Mr. Kenneth Iverson, president and chief executive. Nucor is the largest U.S. producer of open-web steel joists used in non-residential construction, and is currently experiencing a boom in its steel business.

The company also plans to spend some $20m for what it calls a significant expansion in its production of metal products. This is in addition to the already announced $102m programme to more than double its capacity. The new programme will add three mills and raise capacity to about 1.8m tons by 1982 from last year's level of 739,000 tons.

Last year Nucor had record net income of $25.8m or $3.91 a share after adjusting for the three-for-two stock split in May. Mr. Iverson said that he expects 1979 sales to rise by more than 30 per cent to about $400m from last year's $306.9m.

RESULTS IN BRIEF

Sharp third quarter rise at J. P. Stevens

NEW YORK—Net income of the textiles concern **J. P. Stevens** for the third quarter rose by 36.7 per cent to $12.3m, or 95 cents a share, on the back of a sales rise of 9.9 per cent to $448.21m. This performance lifted net income for the first nine months by 28.7 per cent to $32.14m. Earnings per share for the nine months increased from $1.94 to $2.49, with sales 14.5 per cent ahead at $1.34bn.

The leading department stores company **Marshall Field**, based in Chicago, has turned in lower net income for the second quarter of $1.49m, or 15 cents a share, down from $1.65m, or 18 cents. Sales for the quarter rose from $162.4m to $199.6m.

For the first half, Marshall Field's net income improved from $1.71m, or 19 cents a share, to $1.86m, or 18 cents a share. The per-share comparison is distorted by an increase in the average number of shares outstanding. Sales for the nine months advanced from $304.3m to $390.6m.

Levitz Furniture Corporation pushed net income for the second quarter ahead from $3.21m or 76 cents a share to $4.71 or $1.11, on sales up from $118.3m to $131.6m. For the first half, net income was $8.71m against $6.06m. Per share earnings rose from $1.43 to $2.05, with sales ahead at $254.3m compared with $234.7m.

Hardee's Food Systems has recorded a 29.5 per cent increase in net income for the third quarter to $3.91m, with sales rising 33.7 per cent to $95.2m. Earnings per share were 90 cents against 82 cents fully diluted. Net income for the nine months was 42 per cent higher at $7.36m, with earnings of $1.40 fully diluted compared with $1.11. Sales for the period advanced by 41.8 per cent to $255.7m.

The Maryland-based **Baltimore Gas and Electric** turned in a 7 per cent rise in full-year net income to $126.5m, with per share earnings higher at $3.48 against $3.25. Sales revenues improved from $895.2m to $1.01bn.

Agencies

Bluebird in suit over share purchases

By David Lascelles in New York

THE TAKEOVER bid by Northern Foods of the UK for Bluebird, the Philadelphia food concern, has prompted a court action against Bluebird by one of its shareholders.

Mr. Myron Harris, owner of 8,000 shares, alleges that Bluebird shareholders were induced to sell shares to the company in July at $10 each at a time when the company was negotiating to sell its shares for a much higher figure.

In early August, Bluebird revealed it was talking to an unnamed suitor with a view to selling at about $15 a share. The Northern Foods bid was finally announced on August 24 at $14.875 a share.

Mr. Harris' suit charges that the company had decided to sell or merge Bluebird before the buy-back tender offer was completed.

Mr. Harris' suit also names Mr. Joel E. Greenberg, Bluebird's largest shareholder. The suit says Bluebird made the $10 a share tender offer while under Mr. Greenberg's control, adding that "as a result of the tender offer, by July 6, when the offer expired, defendant Greenberg had increased his ownership of the outstanding Bluebird shares from about 49 per cent to in excess of 57 per cent of the then outstanding shares."

Westvaco lifts quarterly dividend

By Our Financial Staff

THE QUARTERLY dividend from Westvaco, the printing and paper group, has been raised from 33 cents to 37½ cents a share in the wake of a further rise in earnings in the third quarter.

At the nine-month stage, earnings are now 20 per cent ahead at $49m, with per share earnings at $2.42 against $2.90 last time. Sales have gained 6.4 per cent to $886.7m.

The major boost to earnings has come in the third quarter, for which earnings at $23m show a jump of 23.6 per cent. Per share earnings have risen from $1.10 to $1.36. At $326.7m, sales have put on 10.3 per cent.

Sales easily surpassing last year's $1.14bn have been predicted for the year-end, with per share earnings rising from $3.90 to $4.45. Healthy demand for printing papers and bleached board have been reported and a more favourable pricing environment should help pulp and linerboard activities.

But the first half of the year was hit by strike-related costs, and the gain in net income was held to 16 per cent.

Westvaco, a major producer of printing and converting paper, is also a significant producer of corrugated and linerboard.

Pulp and paper products bring in the bulk of earnings (91 per cent), but the group is moving into the chemicals industry. It has operations in Brazil and has a capital spending programme of $500m in hand for the period 1976-80.

Other overseas operations are based in Belgium and in Australia. Foreign operations produced some $12.8m of total net income of $66m in 1978.

Shortages hit NCR revenue

DAYTON — NCR Corporation is short of semi-conductor chips and this will reduce revenue in the second half of this year from previously anticipated levels, reports the company.

The shortage was due to lower than anticipated internal yields, and inability to get all the components required from external sources, and has affected selected terminal products.

Internal chip yields are increasing steadily and recovery is anticipated by early 1980. Incoming business remains very good, so the company expects record revenues and earnings this year and continued progress in 1980.

In 1978, NCR operating income was $193.73m on revenue of $2.61bn.

Reuter

China Airlines to raise $128m

By Our Euromarkets Staff

CHASE MANHATTAN (Asia) has won the mandate for a $128m medium-term loan for China Airlines of Taiwan. The borrower is paying a split spread of ⅝ per cent for the first six years rising to ¾ per cent for the remaining six. These terms are believed to be the softest so far for a Taiwanese borrower.

The proceeds are earmarked to finance the purchase of two Boeing 747s. A second loan amounting to $200m is understood to be under negotiations for Taiwan Power Company, carrying identical terms.

Slow expansion in sales for major U.S. retailers

BY JOHN WYLES IN NEW YORK

SALES GAINS by major U.S. retailers have again been erratic during much of August, reflecting the general softening in consumer spending.

After allowing for inflation, few retailers recorded real sales gains compared with the same period last year. Among the better performers, however, were K mart, with a 13.4 per cent sales increase in the four weeks ending August 22, and F. W. Woolworth. Woolworth said that it had experienced strong "back to school" business, stimulating demand for Kinney shoes and other related products.

Elsewhere, the sales picture was flatter, with the industry's number one, Sears Roebuck, reporting a 0.5 per cent decline for the four weeks ending August 25. The company said that its sales had strengthened over the last eight weeks, and this trend was expected to continue during the balance of the year.

Montogomery Ward, the Mobil Oil subsidiary, reported a 4.4 per cent increase for the four weeks ending August 25, saying that sales were slow everywhere except in Florida. But catalogue merchandise sales were significantly better.

J. C. Penney, meanwhile, said that its 3.1 per cent sales increase reflected continuing continuing consumer caution, although the back to school business did improve momentum in the latter part of the period.

Income improves for utilities

BY OUR FINANCIAL STAFF

SEVERAL MAJOR utilities have announced improved results for the past 12 months. The Chicago-based **Commonwealth Edison** turned in a 2.6 per cent increase in net income to $242.38m or $2.96 a share, on revenues up from $2.31bn to $2.62bn.

Wisconsin Electric Power, which has its headquarters in Milwaukee, lifted net income for the period by 8.2 per cent to $68.02m or $3.68 a share. Sales revenues rose from $716.5m to $814.6m.

Southwestern Public Service boosted net income for the 12 months by 2 per cent to $47.42m or $1.61 a share, on revenues higher at $376.3m against $344.4m.

A sharp jump was recorded by **Indianapolis Power and Light**, with net income rising by 42 per cent to $50.86m. Per share earnings improved to $3.35 from $2.34, while sales climbed from $267.37m to $349.34m.

Order level pleases machine tool group

CHICAGO — Giddings and Lewis, the machine tools group, sees no signs of a slowdown in incoming orders and is now booked through 1980 on most products, Mr. George J. Becker, president of the company, said.

New orders in July and August have exceeded the company's estimates, boosting its current backlog above the $174m level on June 30. That total was 44 per cent above a year earlier and up 15 per cent from the March 31 level.

Mr. Becker predicted that 1979 shipments would reach $245m and did not take exception to analysts' earnings estimates of $4.60 to $5 a share.

Last year Giddings and Lewis earned $3.74 a share on shipments of $198.7m. Its first half net rose 60 per cent.

Reuter

Indiana Standard lifts capital spending

BY OUR FINANCIAL STAFF

THE CAPITAL and exploration budget for 1979 of Standard Oil of Indiana has been raised to $3bn with the directors authorising an additional $116.5m for domestic exploration and production by the subsidiary, Amoco Production Company.

The increase includes $63.5m for leases on four offshore tracts in the Gulf of Mexico. The additional $53m will be spent for the further development of the company's domestic production of crude oil and natural gas. An additional 107 net wells will be drilled, primarily in the areas of western Texas/New Mexico, Colorado and Wyoming/Utah.

Mr. John E. Swearingen, chairman of Indiana Standard, said that this is the third increase in the budget this year. It brings the total of expenditures budgeted for the U.S. to $1.4bn, a 43 per cent increase over last year's levels. Total capital and exploration spending in 1978 was $2.24bn.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on August 30

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	50	96½	96⅞	+0½	−1	10.56
Alex Howden XW 9¼ 91	30	80	82	0	+0½	12.68
Australian Res. 9⅜ 84	30	96½	97	−0¼	−0⅝	10.49
Avco O/S Cap. 10½ 87	40	92¼	92¾	−0⅛	−2½	11.76
Beneficial Fin. 9⅝ 87	100	96¼	96¾	+0⅛	−1	10.41
CECA 10¼ 91	150	96⅛	96⅝	+0¼	−1½	11.39
CECA 9⅜ 99	125	†92	92½	0	−1⅛	10.98
Canadian Pacific 9⅝ 89	50	96½	97	+0⅛	−0⅜	10.28
Carter Hawley 9⅜ 86	50	94⅛	94⅝	−0⅜	−1⅞	10.89
Comalco Inv. E. 10⅛ 91	40	97¼	97¾	0	−1⅛	10.82
Continental Grp. 9⅜ 86	100	96⅞	97⅛	+0⅛	−0⅜	10.27
Dome Petroleum 10 94	50	93½	94	+0⅛	−1	10.86
Dominion Bridge 10½ 84	[illegible]	98¼	98¾	−0⅛	−1⅛	10.64
Dow Chem. O/S 9⅝ 94	200	96⅞	97¼	+0⅛	−0⅛	10.01
EIB 9⅝ 86	150	98⅜	98⅞	+0⅛	−0⅛	10.22
EIB 9⅞ 99	100	98½	99	−0⅛	−0⅞	10.27
EIB 9⅝ 87	100	99⅛	99⅝	+0⅛	−0⅞	10.24
EIB 10 99	150	99¼	99¾	0	−0⅞	10.31
Export Dv. Cpn. 9⅝ 84	100	98	98½	+0⅛	−0⅛	10.18
Finland 9½ 86	100	96⅛	96⅞	+0⅛	−0⅜	10.21
Finland 9⅝ 89	100	97¼	97¾	+0⅛	−0⅜	10.30
GTE Finance 9⅝ 84	50	96½	96⅞	+0⅛	−0⅛	10.52
GTE Finance 9⅝ 89	55	93⅜	93⅞	−0⅛	−1⅜	10.82
General Motors 9⅜ 86	100	95⅝	96⅛	+0⅛	−0⅝	10.10
Gould Int. Fin. 9⅝ 85	50	97	97½	+0⅛	−0⅛	10.40
Hoechst Fin. XW 6½ 89	125	†78½	79	+0⅛	0	10.25
Hudson Bay Co. 10 94	50	96⅞	97⅛	+0⅛	−1⅛	10.39
ITT Antilles 9½ 89	75	93⅞	94⅜	0	−1⅞	10.48
Kennecott Int. 9½ 86	100	92⅜	92⅞	+0⅛	−0⅛	11.09
Manitoba 9½ 89	75	95⅜	95⅞	+0⅛	−0⅞	10.22
Nat. Des Telecm. 9½ 86	100	96⅞	97⅛	+0⅛	−0⅛	10.14
New Brunswick 9⅝ 94	75	93⅝	94⅛	+0⅛	−1⅛	10.58
Newfoundland 10 94	50	[illegible]	97⅝	−0⅛	−1⅛	10.34
Norway 9⅜ 84	150	99	99½	0	−0⅛	10.21
Norway 9½ 84	150	97⅞	98⅜	+0⅛	−0⅛	10.06
Nova Scotia Pwr. 9⅝ 89	50	96⅜	96⅞	+0⅛	−0⅞	10.43
Occidental Fin. 10⅜ 84	50	97⅝	98⅛	+0⅛	−1⅛	10.82
Orient Leasing 9½ 86	25	94¼	94¾	−0⅛	−0⅛	10.68
Pennwalt O/S F. 9⅝ 84	25	96⅞	97⅜	0	−0⅞	10.52
Pepsico Cap. 9⅝ 84	100	97⅜	97⅞	+0⅛	−0⅛	9.98
Portland 10 84	50	96⅝	97⅛	0	−0⅞	10.92
Quebec Hydro 10 99	75	94⅛	94⅝	+0⅛	−0⅞	10.68
Redland Fin. XW 9½ 91	25	89	90	0	−0⅛	11.14
Sears Roebuck 9 82	150	96⅞	97¼	+0⅛	−0⅛	10.39
Statoil 9⅝ 89	100	95⅞	96⅜	+0⅛	−0⅛	10.22
Stockholm 9⅝ 94	50	98⅛	98⅝	−0⅛	−0⅞	10.19
Sweden 9⅝ 89	100	96½	97	−0⅛	−1⅛	10.28
Sweden 9½ 86	200	97⅞	98⅜	0	−0⅞	10.13
Sweden 9⅝ 84	100	97⅞	98⅜	+0½	−0⅛	10.25
Unilever NV 9⅝ 87	100	94⅞	95⅜	+0⅛	−1	10.17
Warner-Lambert 9 84	100	96⅞	98⅛	+0⅛	−0⅛	10.03

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 7½ 89	150	94⅞	95⅜	−0⅛	−0⅜	8.24
Asian Dev. Bk. 7⅛ 89	100	98⅛	98⅞	0	−0⅛	7.45
Banco Desarrollo 7⅛ 86	100	94⅛	94⅞	−0⅛	−0⅛	8.34
Barclays O'seas 6⅝ 89	100	98⅞	99⅜	+0⅛	0	6.89
Brazil 7⅛ 87	150	97	97⅜	+0⅛	0	7.72
Brazil 8 87	150	100⅛	100⅝	+0⅛	+0⅛	7.91
CECA 7 91	150	98½	99¼	+0⅛	+0⅛	7.14
Council of Eur. 7⅛ 89	100	98⅞	99⅝	0	0	7.35
Denmark 5⅜ 85	100	94⅞	95⅜	0	−0⅛	6.90
Denmark 6½ 89	100	94½	95	0	−0⅛	7.28
EIB 6½ 91	200	94¼	94¾	+0⅛	−0⅛	7.22
EIB 7½ 89	200	100½	101¼	+0⅛	−0⅛	7.36
Eletrobras-Brazil 7 87	100	94⅛	94⅝	+0⅛	0	8.00
Eurofima 6⅛ 89	100	98⅞	99⅜	+0⅛	0	6.84
Finland 6 83	150	97⅞	98⅜	−0⅛	−1	6.54
Mitsubishi Chem. 6½ 84	70	100	100½	0	−0⅛	6.38
New Zealand 6⅛ 87	200	96⅞	97⅜	0	+0⅛	6.73
Nippon Kokan 6½ 84	100	98⅞	99⅜	0	0	6.76
Nippon Tel. & T. 5½ 87	100	93⅜	93⅞	0	−0⅛	6.65
Nordic Inv. Bk. 6⅛ 86	60	95⅞	96⅜	0	0	6.89
Norges Komm. 7⅛ 91	150	103½	104	+0⅛	+0⅛	7.26
Norway 6¼ 84	200	100	100½	0	+0⅛	6.14
Occidental 6⅛ 90	150	93⅞	94⅜	0	−0⅛	7.54
OKB 6⅞ 88	100	96⅞	97⅜	−0⅛	−0⅛	6.82
OKB 6 87	40	94	95	0	0	6.97
Tokyo Elec. Pwr. 6½ 86	200	98⅛	99	0	+0⅛	6.76
World Bank 6⅛ 88	400	93½	93⅞	+0⅛	0	7.25
World Bank 7⅛ 91	400	101⅛	101⅝	0	−0⅛	7.58

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	50	101⅛	101⅝	0	+0⅛	5.33
Asian Dev. Bank 3½ 94	100	84½	85	−0⅛	0	4.99
Aumar 5 89	60	101½	101⅞	−0⅛	−0⅛	4.82
Austria 3½ 93	100	90⅛	90⅝	+0⅛	−0⅛	4.41
Australia 3⅝ 89	250	95½	95¾	+0⅛	0	4.19
Bergen, City of 4⅝ 91	40	103	103½	−0⅛	+0⅛	4.41
BNDE 5 89	75	95½	95¾	−0⅛	+0⅛	5.59
Brazil 4⅛ 88	100	95	95⅛	−0⅛	−0⅛	4.92
Caisse Nat. Tele. 4⅜ 89	100	100⅛	101	−0⅛	+0⅛	4.27
Canada 3⅝ 89	300	96⅜	96⅝	0	−0⅛	4.07
Council of Eur. 4⅛ 90	100	99½	99¾	−0⅛	−0⅛	4.29
EIB 4½ 91	100	101	101⅛	−0⅛	+0⅛	4.37
EIB 4⅝ 94	100	98⅜	98⅞	+0⅛	+0⅛	4.54
Elec. de France 4⅜ 89	100	101⅛	101½	−0⅛	+1	4.20
Heron 4⅛ 89	35	95⅛	95¾	−0⅛	−0⅛	4.86
ICI Fin. NV 3½ 94	230	88⅜	89	0	−0⅞	4.56
Int.-Amer. Dev. 4½ 89	100	100	100⅛	−0⅛	−0⅛	4.48
New Zealand 3½ 94	120	89⅛	89⅝	+0⅛	−0⅛	4.60
Nordic Bank 5 89	45	103⅞	104	+0⅛	0	4.51
OKB 3⅝ 91	100	91¼	91¾	−0⅛	−0⅛	4.73
Pfand Ost. Lande 4 90	60	84⅞	85⅜	0	+0⅛	4.60
Philippines 4⅜ 89	50	97	97¼	−0⅛	−0⅛	5.13
Shikoku El. Pwr. 4⅛ 89	100	102⅛	102½	+0⅛	+0⅛	4.45
Spain 4 91	100	93½	93¾	−0⅛	−0⅛	4.73
Stowaag 4⅜ 91	60	103¼	103½	−0⅛	0	4.38
Voest-Alpine 4⅛ 89	90	†103½	104	+2½	+0⅛	4.25
World Bank 4⅜ 89	100	103⅛	103⅞	+0⅛	−0⅛	4.16

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	94⅛	95⅛	0	−0⅛	7.13
Australia 6½ 88	20	90⅞	91⅜	−0⅛	−0⅛	8.08
EIB 7⅛ 89	12	98⅛	98⅜	0	0	7.97
Finland 5.8 83	10	92⅞	93⅞	0	0	7.58
Finland 6.8 88	10	90⅜	91⅛	0	+0⅛	8.39

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I. Bk. 8 84 SDR	20	96½	97⅛	+0⅛	+0⅛	8.75
Avco Fin. 10⅛ 88 C$	25	[illegible]	93⅞	−0⅛	−1⅛	11.67
Ex. Dev. Cpn. 10 84 C$	50	96⅛	97	−0⅛	−1⅛	10.89
Fst. Can. Inv. 10 84 C$	50	94⅞	95⅛	−0⅛	−1⅛	11.36
Hudson Bay 10½ 89 C$	60	97⅛	97⅝	0	−0⅛	10.91
Quebec 10½ 86 C$	50	95⅝	96⅛	+0⅛	−0⅛	11.19
R. Bk. Canada 10 86 C$	40	96	96½	+0⅛	−2	10.79
R. Bk. Canada 10 94 C$	40	91⅝	92⅛	+0⅛	−2	11.33
Copenhagen 8⅝ 91 EUA	25	97¼	98⅛	0	−0⅛	8.83
Komm. Inst. 7½ 93 EUA	15	90⅛	94½	0	0	8.20
SDR France 8⅞ 94 EUA	24	99	99½	0	0	8.57
SOFTE 8⅞ 89 EUA	40	94⅛	95⅛	−0⅛	−0⅛	9.00
Algemene Bk. 8⅛ 83 Fl	75	92⅞	93⅜	+0⅛	0	8.58
CFE Mexico 7⅛ 83 Fl	75	96⅞	97⅜	0	−0⅛	8.88
EIB 7⅛ 85 Fl	75	93⅛	93⅝	+0⅛	0	8.66
Ned. Middbk. 8⅛ 84 Fl	75	100	100½	0	−0⅛	8.15
New Zealand 8⅛ 84 Fl	75	93	93⅜	0	−0⅛	8.50
Norway 8⅛ 84 Fl	100	99⅛	100⅛	0	−0⅛	8.23
Elf Aquitaine 9⅝ 88 FFr	150	89⅛	90⅛	−0⅛	−0⅛	11.62
Euratom 9⅝ 87 FFr	150	91	92	−0⅛	−0⅛	11.44
Norway 9⅝ 84 FFr	200	92⅛	93⅛	−0⅛	−0⅛	11.18
PSA Peugeot 9⅝ 87 FFr	175	90⅛	91⅛	−0⅛	−0⅛	11.60
Renault 9⅝ 86 FFr	100	92⅛	93⅛	−0⅛	−0⅛	11.47
Saint-Gobain 9⅝ 86 FFr	130	90⅛	91⅛	−0⅛	−0⅛	11.63
Solvay et Cie 9⅝ 87 FFr	125	90⅛	91⅛	−0⅛	−0⅛	11.54
Total Oil 9⅝ 87 FFr	180	89⅛	90⅛	0	−0⅛	11.55
Citicorp 10 93 £	[illegible]	90⅛	90⅞	0	−0⅛	11.39
EIB 9⅝ 88 £	25	91	92⅛	0	+0⅛	11.37
EIB 11⅛ 91 £	25	96⅛	96⅞	0	0	12.07
Finance for Ind. 13 91 £	15	102⅛	103⅛	−0⅛	+0⅛	12.44
Fin. for Ind. 12⅛ 89 £	30	101⅛	101⅞	−0⅛	+0⅛	12.23
Gen. Elec. Co. 12⅛ 89 £	50	101⅛	101⅞	−0⅛	+0⅛	12.17
Indonesia 8⅛ 91 KD	7	97⅛	98	−0⅛	−0⅛	9.08
Mitsubishi 7⅛ 84 KD	10	97⅛	97⅞	−0⅛	−0⅛	8.13
Norges Kom. 7⅛ 89 KD	12	95⅛	96⅛	0	−0⅛	8.04
Occidental 8⅛ 91 KD	7	95⅛	96	−0⅛	−2⅛	8.84
Euratom 8 87 LuxFr	500	96⅛	97⅛	0	+0⅛	8.54
Norges Kom. 8 86 LuxFr	500	95⅛	96⅛	+0⅛	+0⅛	8.68
Oslo, City of 8 89 LuxFr	500	97⅛	98⅛	0	−0⅛	8.31
Solvay Fin. 8 85 LuxFr	500	96⅛	97⅛	0	−0⅛	8.83

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
BFG Fin. Co. 5⅛ 89	0⅛	97⅛	98⅛	11/1	11	11.21
BNDE 6 89	0⅛	98⅛	98⅝	21/9	11⅛	11.54
Banco di Roma Int. 6 87	0⅛	98⅛	98⅞	26/10	11.19	11.36
Bco. Nac. Argent. 7 86	0⅛	97⅛	97⅝	22/9	11⅛	11.78
Banco Prov. BA 7⅛ 86	0⅛	98⅛	98⅞	12/6	11	11.18
Banco Urquijo 6 86	0⅛	97⅛	98⅛	21/9	11⅛	11.73
Bank of Tokyo 5½ 93	0⅛	98⅛	99	18/10	11⅛	11.90
Bq. Ext. d'Alg. 7⅛ 85	0⅛	95	95⅛	2/11	11⅛	12.45
Bque. Indo Suez 5⅛ 89	0⅛	98⅛	98⅛	11/1	11	11.18
Banque Sudameris 6 87	0⅛	96⅛	97⅛	11/1	11⅛	11.48
BNP 5½ 91	0⅛	98⅛	99	22/2	11.94	12.09
Citicorp O/S Fin. 6 94	[illegible]	99⅛	100	8/9	10.69	10.71
Citicorp O/S 83	‡0	99⅛	99⅛	23/2	—	—
Creditanstalt 5⅛ 91	‡0⅛	98⅛	99	14/9	10⅛	11.01
GZB 5½ 89	‡0⅛	98⅛	98⅛	1/11	11.44	11.61
Gotabanken 6 88	0⅛	98⅛	99	15/5	11⅛	11.65
Ind. Bk. Japan 5½ 85	0⅛	99	99½	1/12	10.94	11.02
Jugobanka 8 89	0⅛	96	96⅛	23/11	11⅛	12.32
LTCB Japan 5⅛ 85	0⅛	99⅛	99⅛	5/10	11⅛	11.67
LTCB Japan 5½ 89	0⅛	98⅛	99	7/12	11⅛	11.27
Mtrs. Han. O/S 5⅛ 94	‡0⅛	99⅛	99⅛	29/8	11.19	11.24
Nacional Fin. 8⅛ 86	0⅛	97⅛	98⅛	25/1	11⅛	11.73
Nat. West. 5⅛ 94	0⅛	98⅛	98⅛	11/10	11	11.18
Nippon Credit Bk. 5½ 85	0⅛	99⅛	99⅛	22/12	10.94	11.06
Nippon Credit Bk. 5⅛ 86	0⅛	97⅛	98⅛	12/1	10⅛	11.11
Petro Mexicano 7 84	0⅛	98⅛	99⅛	24/1	11.44	11.55
Privredna Banka 8 86	0⅛	95⅛	96	20/12	11.58	12.11
Royal Bank Scot. 5⅛ 94	‡0⅛	98⅛	98⅛	11/10	11	11.13
Sogenal 5⅛ 89	0⅛	97⅛	98⅛	11/1	10.94	11.36
Texas Int. Airways 7 86	‡0⅛	96⅛	97⅛	31/10	11.56	11.84
Trade Dv. Fin. Srv. 6 86	0⅛	98⅛	99⅛	21/2	—	—
TVO Pwr. 9 91 (D-lock)	0⅛	97⅛	98⅛	24/11	11⅛	11.27
Utd. Overseas Bk. 6 89	‡0⅛	97⅛	98	29/9	11.14	11.39
Bq. E. d'Alg. 4⅛ 89 SF	0⅛	96⅛	96⅞	18/12	4⅛	4.39

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7½ 89	10/79	145	94¼	95¼	−0⅛	−3.88
Ciba-Geigy O/S F. 4 94	9/79	675	95⅛	96⅛	−0⅛	2.44
Credit Suisse 4½ 93	10/79	1325	108⅛	109⅛	+0⅛	4.16
Esselte 7⅛ 89	9/79	158	96⅛	97⅛	−0⅛	−2.89
Honda Motor 5½ 89	5/79	532	98	99⅛	+1	−2.26
LPC International 8 89	9/78	35	100⅛	101⅛	−0⅛	20.71
Nitto Elec. Ind. 6 94	7/79	735	88⅛	89	−0⅛	3.71
Union Bank Switz. 5 89	2/80	125	106⅛	107⅛	+0⅛	6.79
Fujitsu 5 84 DM	7/79	475	101	102	−1⅛	25.07
Kansai Elec. 4 84 DM	4/79	1360	89	90	+0⅛	51.60
Marudai Food 3½ DM	2/79	1033	82⅛	83⅛	+0⅛	46.37
Nippon Yen. 3⅛ 85 DM	1/79	261	108⅛	107⅛	+0⅛	1.14
Sharp Cpn. 3½ 86 DM	2/79	487	94	95	+0⅛	7.85
Tokyo Elec. 3⅛ 87 DM	4/79	476	94⅛	95⅛	−0⅛	51.37
Tokyu Ld. Co. 4 86 DM	4/78	493	95⅛	96⅛	−3⅛	38.33

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

مكرر من الأصل

Tin and hotels boost Pernas results

BY PHILIP BOWRING AND WONG SULONG IN KUALA LUMPUR

PERBADANAN Nasional Bhd Pernas), the holding company for Bumiputra (Malay) interests in Malaysian companies, made an attributable profit of 38.04m ringgit (U.S.$17.6m) for the year ending January 31, 1979. Pre-tax profit was 98m ringgit against 60m ringgit.

This is only the second year that the 10-year old Government-owned corporation has turned in a profit. The previous year it earned a net profit of 23.1m ringgit. Both years' figures include the Pernas share of profits of associated companies, which account for the bulk of group earnings, but they are before extraordinary items, which showed a gain of 1.75m ringgit in the year just ended against a 2.19m ringgit loss in the previous year.

Pernas' principal assets are 71 per cent stake in Malaysian Mining Corporation, which has sharestakes in and management control of quoted tin companies accounting for about 25 per cent of Malaysian and 10 per cent of world tin output, and an interest, believed to be about 20 per cent, in Sime Darby. Pernas also controls Island and Peninsular Development, and has extensive trading, property, hotel and manufacturing interests, as well as a large portfolio of quoted securities. The accounts show that almost all profits are retained in subsidiaries and associates.

Last year the parent company made pre-tax profits of only 3.3m ringgit. The inclusion of subsidiaries' profits brings the figure up to 33.4m ringgit, while the share of associated company profits accounts for a huge 64.8m ringgit out of total pre-tax profits of 98.27m ringgit. Tax took 50.6m ringgit, and minorities 5.1m ringgit.

The main reasons for the latest year's improvement in profits are believed to be higher earnings from tin and hotel interests, and the closure of Malaysian Titanium, an ill-fated ilmenite venture with Straits Trading and Magnum Corporation which required large write-offs in the previous year.

The consolidated balance sheet shows shareholders' funds of 141.4m ringgit, consisting of share capital of 116.25m ringgit, reserves of 48.7m ringgit and unappropriated profit of 26.5m ringgit. As Pernas does not pay a dividend, the latest profit wipes out accumulated past losses, which at the previous year-end stood at 11.5m ringgit.

Gearing is high, with group long-term loans of 362m ringgit. However, these loans are almost all from the Government, and are for long periods at low cost. Internest on long-term loans last year was only 16m ringgit.

The book value of group investments totalled 384m ringgit, but the market value is very much greater. Interests in quoted associates are in the books at only 50.5m ringgit against a market value of 225m ringgit, and quoted investments are valued at cost of 218m ringgit compared with a market value of 390m ringgit.

Lufthansa forecasts satisfactory result after good first half

BY JONATHAN CARR IN BONN

PROFITS OF Lufthansa, the West German airline, were higher than expected in the first half, despite increased fuel costs and the temporary grounding worldwide of the DC-10 long-range airliners. The outlook is for a satisfactory result for the year as a whole, with a maintained dividend.

While no exact profit figures are given, a letter to shareholders reports that Lufthansa's gross revenue from air transport rose by 13 per cent to DM 2.2bn ($1.2bn) in the first half compared with the same period of 1978.

Revenue from passenger transport was up by 13.5 per cent to DM 1.7bn, that from freight by 14.1 per cent to DM 476m, while postal revenue fell by 11.1 per cent to DM 48m.

The company notes that its fuel bill for the whole of this year will be about DM 800m compared with DM 540m in 1978. One reason for the increase is the fact that the Deutsche Mark has not been notably strong this year, so that fuel price increases in dollars are making a greater impact in D-Mark terms than they used to.

However, the company has considerably improved its use of flight capacity in the first half, and this has helped to boost profitability.

Lufthansa invested a total of DM 450m in the first half, of which DM 361m was accounted for by payments for aircraft. The Lufthansa fleet totalled 95 aircraft, including 11 DC-10s on June 30 while that of Condor, the wholly-owned charter subsidiary, totalled 16 aircraft, all Boeings.

Japan accepts Chemco offshoot

BY RICHARD C. HANSON IN TOKYO

CHEMCO International Leasing, an affiliate of Chemical Bank of New York, has received approval to establish the first fully foreign-owned leasing company in Japan, with operations expected to start by about the end of the year.

The new subsidiary, Chemco Leasing Japan, will be capitalised at Y200m. The parent company is one of the largest bank-related leasing companies in the world, operating only outside the U.S.

The company received approval for the investment from the Ministry of Finance, which found no reason to disallow a wholly foreign-owned leasing company. Other foreign leasing companies have been active in Japan through Japanese companies.

Chemco, which specialises in ships, aircraft and other machinery and equipment, is trying to tap the extremely lucrative Japanese leasing market, which last year recorded new leases valued at Y835bn ($3.76bn). Japan is the second largest market after the U.S.

* * *

Mitsubishi Heavy Industries (MHI) announced yesterday that it will cut its mid-term dividend again this year because of poor prospects for profit in the second half starting from September 30. Other shipbuilding companies, plagued by severe cutbacks, are expected to follow suit.

MHI said that profit in the first half of the year showed some improvement, but the outlook for the latter half forced the company to reduce the cash dividend, as was the case at the halfway mark last year. Because of a relatively good performance by MHI on a consolidated basis for the whole of last year, the company paid Y4 per share cash dividend, down from the Y6 payment which had been maintained since 1970.

MHI does much better on a consolidated basis, mainly because of the success of Mitsubishi Motors, which is now the major contributor to company profits.

Meanwhile, MHI has said that it will temporarily release 200 of its employees to Toyo Kogyo, the maker of Mazda cars. The MHI employees are from the Hiroshima Dockyard, and will work for the Hiroshima-based Toyo Kogyo for about two years because of the slump in shipbuilding activity. Exchanging employees is a fairly common tactic in Japan to avoid layoffs during bad times in a particular industry.

* * *

Daihatsu Motor Company said yesterday that its net profit rose by a healthy 48 per cent to Y6.5bn in the year to June, on record sales of Y298.7bn, up by 16 per cent.

The company, which specialises in making small cars and trucks under the aegis of Toyota Motor, had a 12 per cent increase in unit sales to 513,500 cars and trucks. Exports increased by only 8 per cent due to troubles in some markets such as Indonesia, but domestic sales, boosted by orders from Toyota, rose by 26 per cent.

The brisk domestic sales, and efforts to streamline operations during the year, brought operating profits to a new record of Y10.5bn, up by 31.9 per cent from the prior year.

The company expects, however, that profits will decline this year, partly as a result of higher costs for materials. While sales will increase to some Y310bn, net profit will slip to about Y5.5bn, the company predicted.

Voest-Alpine to take stake in Zanussi

By Paul Betts in Rome

SHAREHOLDERS have given the go-ahead to a Lire 42.5bn ($52m) capital increase for Industrie Zanussi, Europe's largest electrical and domestic appliances group, which will see the Austrian Voest-Alpine group take a 10 per cent stake in the Italian company.

The Austrian group is to participate in the capital increase, and will hold a nominal L8bn of Zanussi stock.

Zanussi's capital will increase from L37.5bn to L80bn, partly through the distribution of free shares and partly through a paid issue.

The company reported net profits of L13.3bn last year on turnover of some L800bn, more than 13 per cent up on the previous year. Exports accounted for 54 per cent of overall sales.

However, Zanussi has announced that it plans to lay off temporarily some 9,700 workers in view of the high level of stocks in its household appliances warehouses.

Sharp rise for Rothmans Malaysia

By Our Kuala Lumpur Correspondent

ROTHMANS of Pall Mall Malaysia pre-tax profit for the year to June 30 received a significant boost from a boycott of cigarettes manufactured by its chief rival, Malaysian Tobacco Company, which was organised by Chinese in northern Malaysia.

Pre-tax profit rose by 71 per cent to 19.6 ringgit (U.S.$9.1m) on a 22 per cent increase in sales to 270m ringgit. In view of the excellent results, Rothmans is paying a dividend of 20 per cent and is making a one-for-five bonus issue. This time last year, it made a one-for-four issue raising its paid up capital to 23.9m ringgit.

Rothmans commissioned a new line at its plant last year, which proved timely as it filled the vacuum in demand created by the boycott of MTC cigarettes early this year. The boycott was in protest against the alleged refusal by MTC to donate to the proposed Chinese "Merdeka University."

Credit Suisse looks for holiday island partners

BY JOHN WICKS IN ZURICH

THE ZURICH bank Crédit Suisse may take outside investors into its Albarella subsidiary, to help develop the resort island of Albarella in the northern Italian province of Rovigo. The island project was taken over by Crédit Suisse as part of the Texon group, following the disclosure in 1977 of irregularities at the bank's Chiasso branch.

Dr. Klaus Jenny of Crédit Suisse said that financial participation would not be excluded from any co-operation plans for the expansion of accommodation and the operation of existing installations. As possible partners he mentioned major tour operators and "specialists in individual sectors," but he said that Crédit Suisse also intended to give institutional investors—particularly in Italy itself—the chance to put money into Albarella.

After initial cost expenses, Dr. Jenny said that there would be a gradual recovery to yield a positive return on investment.

Future development of the island, situated in the Adriatic some 30 miles from Venice, is being planned in co-operation with tourism specialists from the Zurich-based civil engineering concern Elektro-Watt, which is itself a Crédit Suisse affiliate.

As part of a development programme whose full realisation is foreseen in 10 to 12 years, the 1,300-acre island is to be made into a holiday centre with a planned capacity of 11,000 to 11,500 guests. Installations will include new hotel and holiday-apartment holiday-house units, large-scale recreation and sport facilities, and a centre for courses and conferences.

The results of the 1979 season on the island are said to have exceeded expectations. Originally foreseen as a "millionaires' playground," Albarella is being developed by Crédit Suisse more to meet tour operators' requirements, with particular appeal to the German-speaking world.

Holiday housing is being offered this year by the German operator, Tui Scharnow Bavaria, while hotel accommodation is in the programme of the Swiss travel agency Hotelplan. Various major tour operators had shown interest in obtaining quotas on the island, said Dr. Jenny.

New York bank lifts AUC holding

By James Forth in Sydney

MORGAN GUARANTY TRUST COMPANY of New York has lifted its stake in Australia's oldest merchant bank, AUC Holdings, from 30 per cent to 45 per cent by buying out the other foreign shareholders.

Through a wholly-owned subsidiary, Morgan Guaranty International Finance, it is buying the shares held by European Australian Associates, a group consisting of Commerzbank AG, of Frankfurt, Effectenbank-Warburg AG, of Frankfurt, M. M. Warburg-Brinckman, Wirtz and Company, of Hamburg and S. G. Warburg and Company, of London. It is also buying the shares held by the Industrial Bank of Japan.

Challenge bounds ahead

BY DAI HAYWARD IN WELLINGTON

A FAVOURABLE season, and the absence of industrial unrest in the meat freezing industry helped New Zealand's second largest company The Challenge Corporation to a 56 per cent profit increase and a record dividend payout.

Group trading income before tax recorded a 160 per cent increase to NZ$22m (US$22.2m). The tax payment went up from NZ$1m to NZ$9.2m and the dividend has been increased from 12.5 per cent to 15 per cent.

Mr. Ron Trotter, the chairman, said the result was particularly pleasing but when results over the last five years were considered, the average return was still inadequate.

"The good result this year was helped by higher wool and meat prices and a good agricultural season on the farm," he said. Challenge is heavily involved in the rural sector and the lift in farm prices and farm income had helped overall results.

Other divisions of the company including the finance and motor trading division also had a good year with strong growth. Mr. Trotter said an acceptable rate of return on assets had been achieved for the first time in many years. Group liquidity is strong but will be affected by tax payments next year, he added.

Union Steel margins cut

BY JIM JONES IN JOHANNESBURG

THOUGH UNION STEEL, the South African producer of mild and special steel, has felt the benefit of a lower emphasis on price controlled steel products, it is still exposed to the effects of rising costs.

In the six months to June 30, 1979, Union increased turnover by 40 per cent to R91.5m ($109.6m) against R65.2m for the 1978 first half. However, despite the positive influences of improved controlled steel prices and greater concentration on unregulated special steels, increased operating costs pared margins and resulted in a pre-tax profit rise of only 30 per cent to R4.9m.

For the whole of 1978 turnover came to R124.5m and pre-tax profit to R6.6m.

Though the interim report gives no details of contributions by Union's various operations, the steel casting and aluminium cable divisions have still to recover fully from last year's turnover and profit setbacks.

Union is cautious on the effect of continuing operating cost increases, and forecasts simply that the second half will see a maintenance of the first half's profit levels.

Reksten in deficit at halfway

BY FAY GJESTER IN OSLO

ONE OF the three companies in Norway's Reksten shipping group made an operating profit in the first half of 1979, but all three made losses after depreciation.

Trajan, a company which owns eight supertankers, made an operating profit of NKr5.2m in the period, compared with an operating loss of NKr1.5m in the first half of 1978. After depreciation, however, Trajan had a loss of NKr200.5m ($39.7m). Hadrian, which owns four supertankers, had an operating loss of NKr2.9m against a NKr2.5m loss in the comparable period of 1978, and a loss after depreciation of NKr43.3m.

Lucian, which operates a gas tanker o fthe same name, had an operating loss of NKr0.6m, and an estimated loss after depreciation of NKr14.9m.

Reksten's shipbroking company, Reksten Brokers A/S, earned NKr735,000 in commissions during the period, compared with NKr 290,000 a year earlier. But after administrative costs and depreciation, the company's first-half loss is estimated at NKr 54,000.

* * *

Norske Skogindustrier, which produces paper, pulp, chipboard and timber, reports increased turnover and profits in the first half of 1979, writes Fay Gjester from Oslo. Turnover reached NKr 612m against NKr 508m, and group net profit before extraordinary items was NKr 32m, up from NKr 25m.

The interim report says that the totals are not directly comparable because the group has acquired one company and sold another since the earlier period. It adds, however, that last year's improvement in the market for forest products has continued even more strongly this year, and forecasts that results for the year as a whole will be somewhat better than for 1978.

German engineering group expects similar profit

BY OUR BONN CORRESPONDENT

BROWN BOVERI (BBC), the West Germany affiliate of the Swiss engineering group, expects profits for 1979 to be similar to last year's on a slightly higher turnover. The turnover increase itself, however, depends on full payment being received for some outstanding business with Iran.

Last year parent company net profit was DM 43.86m ($23.95m), total sales were DM 3.83bn, incoming orders rose by 7 per cent to DM 4.3bn, and an unchanged DM 8 dividend was paid.

In the first half of this year total sales were up by about 3 per cent to DM 1.67bn, compared with the same period of 1978, and orders were up by 26 per cent to DM 2.2bn. Fixed asset investment this year should total about DM 150m.

A buoyant home sales market—both for standard products and for bigger industrial plant—more than made up for a fall-back abroad.

Hard winter hits Internatio-Mueller

BY CHARLES BATCHELOR IN AMSTERDAM

THE SEVERE winter in large parts of Europe sharply reduced the first-half profits of the Dutch trading, transport and industrial group Internatio-Mueller. Net profits in the second half of 1979 are expected to be about equal to the same period of last year, and profits in the year as a whole will be, as expected, lower than in 1978.

Net profit in the first half dropped to Fl 7.3m ($3.6m) from Fl 17.5m last year, while operating profit, after depreciation and minority holdings, fell by 15 per cent to Fl 24.7m. Turnover was 8 per cent higher at Fl 1.87bn ($935m). Net profit per Fl 20 nominal share fell to Fl 1.91 from Fl 4.58.

In the trading division, which accounted for 75 per cent of turnover and 81 per cent of operating profits, the result improved, although the financial costs of international trading rose sharply. The transport sector was disappointing.

Operating profits in the technical contracting division fell slightly, particularly in the excavations sector, although the half-time result is not indicative of the year as a whole in view of the uneven spread of orders. The losses of the industrial division increased.

The net interest charge rose by nearly Fl 8m to Fl 21.2m due to higher interest rates, particularly in the U.S., and to the increase in stocks and claims. A tax credit of Fl 1.7m is expected to result from fiscal exemptions and compensation for losses, the company said.

* * *

Robeco, the Dutch-based investment company, said that during the first six months of 1979 it has gained considerable benefit from its Fl 500m ($250m) investments in oil stocks, writes our Financial Staff. In particular, the Fl 300m investment in Royal Dutch "did very well indeed."

Price declines, however, occurred in local shares in Germany, Japan and Holland. On balance, investment results proved favourable and amounted to 5½ per cent. At the end of June, the value of Robeco shares was Fl 164 against Fl 163 at the beginning of the year, which covered the Fl 8 dividend. In spite of this, during the reporting period, more Robeco shares were offered for repurchase than were sold, and shares worth Fl 100m were bought back.

At present, Robeco has 31 per cent of its investment in the United States and Canada, 19 per cent in the Netherlands (including internationals), 8 per cent in Japan, 7 per cent in Germany, 3 per cent in Australia, 11 per cent in other countries, 16 per cent in cash or its equivalent, and 5 per cent in other assets.

Looking ahead, Robeco expects currency unrest to continue and pressure to remain on the dollar. Therefore the hedge against the risk in dollar investments during the first quarter has been increased.

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Elsevier-NDU, one of the largest publishing companies in the Netherlands, reported an 8 per cent higher net profit at Fl 26m in the 1979 first half compared with Fl 24m a year earlier, reports AP-DJ from Amsterdam.

Net profit per share of Fl 20 nominal value was Fl 19.59, compared with Fl 19.20 in 1978.

Turnover rose by 7.5 per cent to Fl 567m.

The company said that it expects net profit to increase by about 10 per this year, even though the increase in the first half was less than expected.

THE PROPERTY MARKET

BY MICHAEL CASSELL

Costs development threat

RAPIDLY RISING construction costs are threatening to stifle the present spate of development activity, says Mr. Dennis Marler, *managing director of a reawakened Capital and Counties.*

The company once commanded an "empire" extending to 11 countries, but after a rough ride in 1975 sold off large *chunks of its property portfolio* and put a stop to new schemes. Now it is back in the development market.

But Mr. Marler says developers face rising costs which could undermine the viability *of new schemes.* "*Costs in the* last 12 months have risen so significantly that it is getting perilously close to the point where it will not be economic to undertake developments.

"If costs get much higher and rents do not rise significantly, then companies like ours will not be proceeding with proposed development programmes."

Mr. Marler is quick to emphasise that schemes already in the Capital and Counties pipeline are not being jeopardised *by the alarming rise in costs,* but he suggests that recent sharp rent increases may well have saved the day.

Capital and Counties has two large retail schemes for which packages are being prepared, prior to securing a funding agreement. The company, which has two successful covered shopping centres at Newcastle and Nottingham under its belt, is still looking for a major retailer to fill the unwelcome gap left in its 400,000 sq ft Sutton scheme with the departure of John Lewis. Work on the three-year programme is due *to start in 1981.*

Mr. Ian Northen, assistant managing director, says the company is having talks with a small number of interested retailers and seems confident that an agreement with one of *them may not be too far off.*

But with the tenant of the scheme's office complex yet to be identified, and the planning process incomplete, it is likely to be some months before a package can be put first to the *fund whose interest had to be* "resurrected" after the John Lewis withdrawal.

At Wakefield, where work is scheduled to start next year, Debenhams are to be the main anchor of the 270,000 sq ft centre and Mr. Northen is hopeful a funding arrangement will be reached by this winter. There has, he says, been an "*immensely high demand*" *for* space.

The company is having less success with its proposed mixed *redevelopment scheme* at Putney, where long planning wrangles—not to mention protests by residents—have made *progress impossible.*

Capital and Counties bought the controversial site in 1975. Mr. Marler and his colleagues can be forgiven for sometimes wishing that they had gone ahead with subsequent plans to sell it off and not been encouraged to hold on by the then *Labour-controlled* council.

The company has decided that in its determination never again to become over-extended, it will be confining all future *development* projects to under £7½m—unless they form part of a prearranged partnership.

According to Mr. Marler: "We are not going to take on any heavy commitments without pre-funding. We intend to *make* certain that our outgoings on interest payments are kept to a level which can be serviced by our revenue account. For us, high gearing is a thing of the past."

The company also intends, with the exception of retail schemes, to confine its activities to Greater London, where it believes demand is likely to *remain strong and where rental* growth looks best.

The purchase of a 3.4 acre site on the North Circular Road to house a 60,000 sq ft industrial complex, comprised largely of warehousing, underlines the company's growing interest in industrial property, which to date accounts for less than 10 per cent of its total investment portfolio.

IN BRIEF

● **Private Patients Plan is thought to have paid more *than £1m for offices at 11/12* Crescent Road, Tunbridge Wells. New London Properties, the former owners, had originally planned to let the building at a rent of £4.75 a sq ft. Healey and Baker acted for NLP and Baxter Payne and Lepper for Private Patients Plan.**

● **Further evidence of the continued revival of the Birmingham office market *comes with a series of lettings* by Elliott Son and Boyton in Colonial Mutual Life Assurance Company's Elizabeth House scheme in Suffolk Street.**

A third of the building which provides just over 30,000 sq ft on 11 floors, has been let or is under offer at rents of £2 a sq ft. Trust. Houses Forte is among the tenants.

● **The hard-pressed P & O group is seeking a rent of £700,000 a year for the 35,570 sq ft of office space it is *vacating in Leadenhall* Street in the City. The group is moving to Beaufort House, St. Botolph Street, EC3.**

The near-£20 a sq ft price tag is for the air-conditioned top two floors and piazza level in the P & O building. The space to be let on a new 21-year lease by joint agents Jones Lang Wootton and *George Trollope.*

● **Carless Capel and Leonard, the speciality chemical, oil and gas *exploration* group, has agreed to pay £1m for its new headquarters at 70-74, Cannon Street, London, EC4.**

● **International Marketing and Promotions has taken 6,580 sq ft of refurbished office space at 3, Sherwood Place opposite the Regent Palace Hotel in Piccadilly, London, for an annual rent of *£56,000* exclusive.**

Weatherall Green and Smith acted for the owners of the building. Land Securities Investment Trust, and Knight Frank and Rutley acted for the new tenants.

● **Tate and Lyle Group Pen*sion Scheme's three-unit* warehouse development at the junction of the M20 and M25 motorways at Swanley, Kent has been completed. The units have been fully prelet at about £2.15 a sq ft to S *and A Geophysical, Obart,* and SKF (UK).**

● **Abacus Development, part of the *Sir Robert McAlpine* construction group, has bought for about £500,000 four connecting office blocks in the prime West End area of Edinburgh.**

The four period buildings *need careful restoration* and will not be ready for occupation until next year when they will provide 18,000 sq ft of office space. *Strutt and* Parker represented Abacus and have been retained as letting agents.

● **Music Hire Group, represented by Bernard Thorpe, has agreed to sell a long lease on *22,000* sq ft of warehouse in Domestic Street, Leeds to The Heart of Oak Benevolent Society. The likely price is thought to be about £400,000.**

● **BBA Pension has bought the freehold of 13,000 sq ft of offices at *13/14 Park Place,* Leeds, for about £225,000.**

Jones Lang Wootton and Roland Stross acted for BBA. *Paxtons of Leeds* acted for the vendors, a family trust.

Slough's aims unclear

IT IS difficult to unravel Slough Estate's *true* intentions from this week's statement, couched in terms aimed at satisfying the U.S. Securities and Exchange Commission, concerning its purchase of a small stake in an American real estate invest*ment trust.*

Slough this week disclosed six months pre-tax profits of £4.49m (£3.79m). It says its U.S. joint venture SDK Industrial Parks has bought, for $3m, a 5.15 per cent share in Bank Realty *Investors as an investment* and has "no present plan" to acquire control of the company.

But in an announcement which Mr. Nigel Mobbs, Slough's chairman, admits reads more like a legal docu*ment than news of a share deal,* SDK says it will review its investment continuously and may increase or decrease its stake as well as change its intentions with respect to seeking control.

SDK was set up six years ago by Slough Parks, a wholly-owned Slough subsidiary which has an 80 per cent stake in SDK and Draper and Kramer, a private development and management group which holds the balance and acts as Slough's associate in all its U.S. projects.

Mr. Mobbs says it is the first time the joint venture has strayed from the development path on to the share buying trail. Though he will not be drawn any further it would be surprising if Slough's ambitions *in respect of SDK and Bank* Realty have been fulfilled. It could either envisage ultimate control of the company or use its stake as a prequalification for purchasing some of its *property assets.*

The last time Slough bought into an investment trust in North America was about 12 years ago, via a deal with Yorkshire, and Pacific Securities aimed at providing funds for *Slough Canada.*

SDK recently completed its 530,000 sq ft Regent industrial centre at Elk Grove, near Chicago, now fully leased, and expects to start work on an adjoining 30-acre site before the winter. In the *same area,* work goes ahead on a Midway Motor Lodge complex and a development of small office units.

Investment pattern may change

INSTITUTIONS may well have to rethink their future investment strategy in the retail sector because of the shortage of prime investment opportunities.

That is the opinion of Mr. Michael Harris, deputy senior partner at Strutt and Parker, who calculates that pension funds will this year allocate *about £400m for retail shop* investment.

Mr. Harris says the retail *investment market is "as keen* and competitive as anyone can remember," with the major funds waiting for the right property to show up.

He believes that with so much money chasing few good opportunities, several changes in attitude by institutions could be on the way.

Mr. Harris suggests funds will now begin to look more closely at good secondary units and that those considered will probably fall into three types. "*The first, and most likely the* best, buy will be the prime shop located in a secondary town, with a well defined but small catchment population.

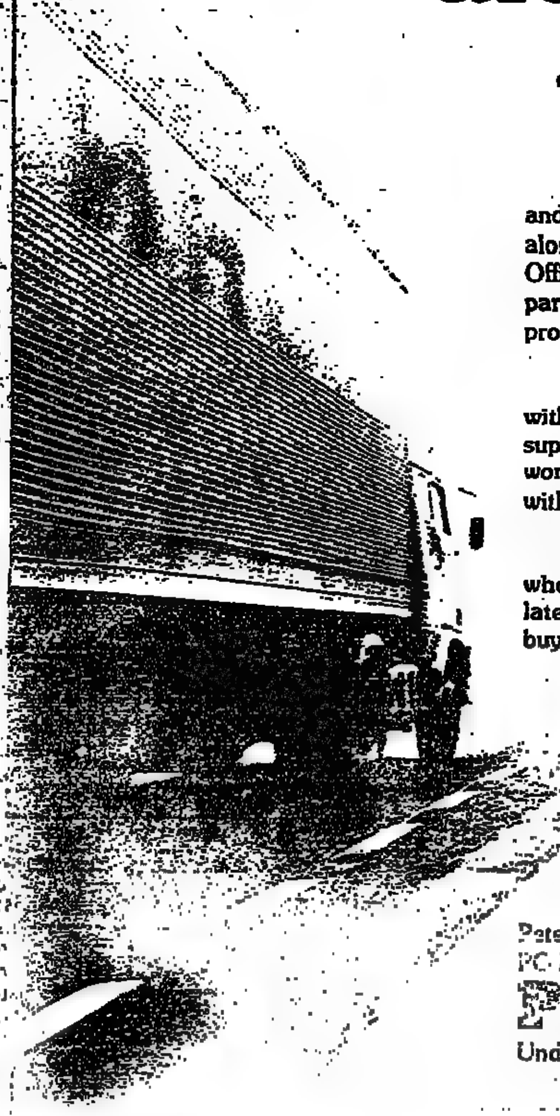
"The second will be purpose built precincts in smaller towns, and the third will be shops situated at the end of the prime patch."

Institutions, he adds, might also accept that a lower proportion of their funds will be committed to retail investment.

As a third alternative, they might increase overseas activity.

To date the funds have shown little sign of straying *from the prime path.* Most would prefer the other options suggested by Mr. Harris or, to judge by their usual reaction to suggestions of secondary investments, to sit on their money.

Factories and warehouses alongside the A1



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COMPANY NOTICES

THE COMPANIES ORDINANCE (CHAPTER 32)

INTERNATIONAL PACIFIC SECURITIES COMPANY, LIMITED
(In Members' Voluntary Liquidation)

NOTICE OF FINAL MEETING

NOTICE IS HEREBY GIVEN pursuant to Section 239 of the Companies Ordinance (Chapter 32) of the Revised Edition 1975, that the Final Meeting of the Members of the above-named Company will be held in the Boardroom of Messrs Jardine, Matheson & Company Limited, Connaught Centre, Connaught Road Central, Hong Kong, on 4th October, 1979 at 11.00 a.m. for the purpose of having an account laid before them, showing the manner in which the winding up has been conducted and the property of the Company disposed of, and of hearing any explanation that may be given by the Liquidators, and also of directing by Extraordinary Resolution the manner in which the books, accounts and documents of the Company and of the Liquidators shall be disposed of.

D. W. CAIRNS
Liquidator

Dated the 31st day of August, 1979

Notice to the Holders of Bonds of the Issue 8¾% 1977/97 of US$100,000,000 made by the EUROPEAN COAL AND STEEL COMMUNITY

The Commission of the European Communities announces that the annual instalment of bonds amounting to US$3,500,000 has been purchased for redemption on October 1, 1979.

Amount outstanding on and after October 1, 1979: US$94,000,000.

Luxembourg.
August 31, 1979.

GRESHAM INDUSTRIES LIMITED
(Incorporated in the Republic of South Africa)

DECLARATION OF FINAL ORDINARY DIVIDEND No 41

NOTICE IS HEREBY GIVEN that a Final Dividend of 15 (Fifteen) cents per share, making a total of 25 (twenty-five) cents per share, for the year ended 30th June, 1979, has been declared by the Board of Directors payable on the 16th November, 1979 to Ordinary Shareholders registered in the Books of the Company at the close of business on the 19th October, 1979.

The Dividend is declared in South African currency and Dividends payable from the London Office will be paid in United Kingdom currency, calculated at the rate of exchange ruling between rand and sterling on the 2nd November, 1979.

Dividend cheques despatched from the London Office to persons resident in Great Britain or Northern Ireland will be subject to a deduction of United Kingdom Income Tax at rates to be arrived at after allowing for relief (if any) in respect of South African Taxes.

The Company will, where applicable, deduct the Non-Resident Shareholder's Tax of 15 per cent from Dividends payable.

For the purpose of paying the above dividend, The Ordinary Register of Members will be closed from the 20th October, 1979 to the 2nd November, 1979, both days inclusive.

Dividend Cheques will be posted on or after the 16th November, 1979.

By Order of the Board,
B. C. CRAGG, Secretary.

Registered Office:
220 Commissioner Street,
Johannesburg, 2001.
With effect from 1 September, 1979.
The Registered Office will be:
Lower Mall, Freeway Centre,
Louis Botha and 1st Avenues,
Wynberg, Sandton, 2199.
Transfer Secretaries and
Share Transfer Office:
Union Provident Trust South Africa Ltd.,
17th Floor, 37 Sauer Street,
Johannesburg, 2001.
P.O. Box 2322, Johannesburg, 2000.
London Transfer Secretaries and
Transfer Office:
Granby Registration Services,
Granby House,
95 Southwark Street,
London SE1 0JA

BRASCAN LIMITED
(Incorporated under the laws of Canada)

NOTICE IS HEREBY GIVEN that the Board of Directors of this Company has declared a quarterly dividend of twenty-five cents (25 cents) per share (in United States funds) on the Company's Class A, Class B and Class C Convertible Ordinary shares without nominal or par value, PAYABLE October 31, 1979, to shareholders of record at the close of business on October 1, 1979.

The dividend payable on Class A Convertible Ordinary shares represented by share warrants to bearer will be paid only against surrender of such bearer warrants (with coupons serial nos. 154/160, both inclusive, with talons attached) in exchange for Bearer International Depositary Receipts issued by Morgan Guaranty Trust Company of New York at Brussels, Belgium, in respect of Class C Convertible Ordinary shares of the Company or for registered share certificates of the Company. Bearer Warrants (with coupons serial nos 154/160, both inclusive and talons attached) may be surrendered for exchange to:

C I K
59, Rue de Namur
1000 Brussels
or
Morgan Guaranty Trust Company of New York,
35, Avenue des Arts
1040 Brussels.

DATED at Toronto, Canada, the 28th day of August, 1979.

By Order of the Board,
L. A. ALLEN,
Secretary.

The transfer agents of the Company are National Trust Company, Limited, Toronto, Montreal, Vancouver, Calgary, Winnipeg and Halifax, Canada; and Citibank, N.A., New York, N.Y., U.S.A. Changes of address should be notified promptly to National Trust Company, Limited at 21 King Street East, Toronto, Canada M5C 1B3.

NU-SWIFT INDUSTRIES LTD.

NOTICE IS HEREBY GIVEN that the Register of Members and Transfer Books of the Company will be closed from the 21st September, 1979 to 1st October, 1979, both dates inclusive.

By Order of the Board,
KENNETH WOOD, Secretary.

Nu-Swift Factory, Elland, West Yorkshire.
Transfer Office: Hope, Agar & Co.,
Epworth House
25-35 City Road,
London EC1Y 1AR.

THE BIRMINGHAM MINT LTD.

NOTICE IS HEREBY GIVEN that a dividend of 2.1p per share in respect of the 6 months ended 30th September, 1979 will be paid on 1st October 1979 to all Preference Shareholders registered in the books of the company at the close of business on Friday, 7th September, 1979.

By Order of the Board,
A. SINGER, Secretary.

THE GREAT NORTHERN TELEGRAPH COMPANY (LIMITED)
THE GREAT NORTHERN TELEGRAPH COMPANY'S HOLDING COMPANY LIMITED

Interim statement for the first half of 1979 for The Great Northern Telegraph Company, Limited, of Denmark

The turnover of the Great Northern Group for the first six months of 1979 was only slightly larger than the previous year. The reasons were production delays, a weak market development in Denmark and reduced building and construction activity because of the long winter period.

A larger turnover is expected for the remainder of the year, and it is anticipated that the Group's net result can be maintained at the 1978 level exclusive of the very considerable extraordinary income recorded for that year.

The Board of Directors.

LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1976
MEATWAYS LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of

LEONARD CURTIS & CO.,
3/4 Bentinck Street,
London W1A 3BA,

on Tuesday the 4th day of September 1979, at 12 o'clock midday, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 20th day of August 1979.

By Order of the Board,
JOHN POLAK, Director.

THE COMPANIES ACTS 1948 TO 1967
MONTAGUE JOYCE LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of

LEONARD CURTIS & CO.,
3/4 Bentinck Street,
London W1A 3BA,

on Wednesday, the 5th day of September, at 11 o'clock in the forenoon, for the purposes mentioned in Sections 294 and 295 of the said Act.

Dated this 21st day of August 1979,

By Order of the Board,
MONTAGUE GODEL, Director.

THE COMPANIES ACTS 1948 TO 1976
MONTAGUE JOYCE (UK) LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of

LEONARD CURTIS & CO.,
3/4 Bentinck Street,
London W1A 3BA,

on Wednesday, the 5th day of September 1979, at 12 o'clock midday, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 21st day of August 1979.

By Order of the Board,
MONTAGUE GODEL, Director.

THE COMPANIES ACTS 1948 TO 1967
PUTNEY CASTINGS LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of

LEONARD CURTIS & CO.,
3/4 Bentinck Street,
London W1A 3BA

on Wednesday, the 12th day of September 1979, at 12 o'clock midday, for the purposes mentioned in Sections 294 and 295 of the said Act.

Dated this 22nd day of August 1979.

By Order of the Board,
C. L. DIXON, Director.

THE COMPANIES ACTS 1948 TO 1976
RUBYCASTLE LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of

LEONARD CURTIS & CO.,
3/4 Bentinck Street,
London W1A 3BA,

on Tuesday the 4th day of September 1979, at 2.30 o'clock in the afternoon, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 20th day of August 1979.

By Order of the Board,
JOHN POLAK, Director.

THE COMPANIES ACTS 1948 TO 1976
STANLEY CASING CO. LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of

MESSRS. LEONARD CURTIS AND COMPANY,
3/4 Bentinck Street,
London W1A 3BA,

on Tuesday, the 4th day of September 1979, at 11 o'clock in the forenoon for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 20th day of August 1979.

By Order of the Board,
JOHN POLAK, Director.

ART GALLERIES

AMBERLEY FINE ARTS, Church St., Amberley, West Sussex, 079-881 876. Prints & paintings by Tom Chadwick, William Kermode, Iain Macnab and others. Until September 8th. 10-1, 2.30-5.30. Tues.-Sun.

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PUBLIC NOTICES

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£500,000 Halton Borough Council Bills issued 29th August, 1979, due 28th November, 1979 at 13.328125%. Applications totalled £2.9m. £500,000 Bills are outstanding.

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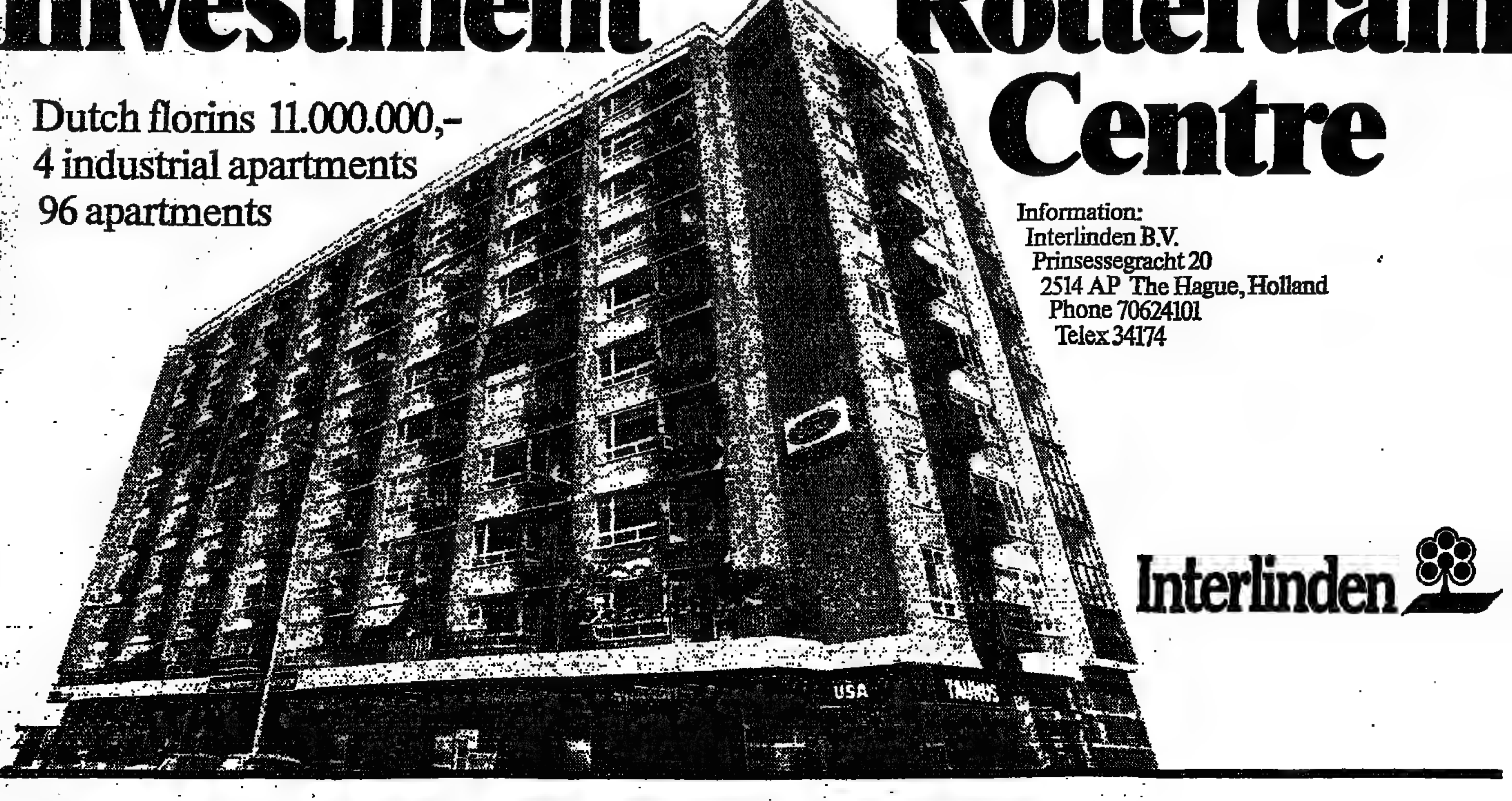

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Wall St. investors stay cautious at midpoint

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THE MARKET at midsession was virtually unchanged from Wednesday's close in active trading. Analysts said there was little news to affect the market.

The Dow Jones *Industrial* Average lost 1.20 to 883.70, but advances led declines by a small margin. The New York Stock Exchange Composite Index was up slightly on turnover of 13m shares.

Closing prices and market reports were not available for this edition.

The dollar remained weak and gold rose to a record high London fixing of $319.50 an ounce. Stock market investors were disappointed that the dollar was not doing better in light of high U.S. interest rates and a narrowing of the trade deficit.

Analysts said with weekly banking figures due after the close, investors would probably remain cautious through the afternoon.

Gold shares benefited from the record bullion price. **Homestake Mining** added 1½ to $40. **Dome Mines** ⅞ to $39⅝. **Campbell Redlake** ⅞ to $21⅞ and **ASA** ¼ to $27⅞.

Volume leader **General Motors** picked up ⅜ to $60, in spite of being chosen by the United Auto Workers as their target in the event of a strike in the industry. Damon, the second most active stock, added ⅞ to $7⅞. The company was the volume leader on Wednesday. It could not explain the heavy turnover.

Retailing stocks generally showed fractional gains after reporting mostly higher August sales. Sears, however, had an 0.5 per cent sales drop and dipped ⅛ to $19⅝.

American **Cyanamid**, which rose sharply in the previous session on merger speculation, eased 1⅛ to $28⅞.

Plessey rose 1½ to $27⅛, reporting higher fiscal first quarter profits. **Ametek** voted to split the stock two for one and raise the dividend. It gained $1 to $41.

American Exchange prices declined in active trading. The Index slipped 0.58 to 215.01 on turnover of 2.66m shares.

Canada

The market at noon was lower in active trading as the Toronto Composite Index fell 0.5 to 1,678.0. Losses outnumbered gains 172 to 164.

Volume was 2,998,052 shares, compared with 3,608,720 in the previous session.

In Montreal, share prices remained mixed in fairly active trading. The Composite index fell 0.60 to 287.25, and two of four leading indices declined.

Volume was 256,586 shares, compared with 228,835 at noon on Wednesday.

Germany

Leading shares closed higher after active trading with buying sentiment boosted by foreign interest.

The upward trend was seen in all sectors, with **Deutsche** leading Banks up DM 2.70, and **Karstadt** leading Stores up DM 2.50. In Engineerings, **GHH** rose DM 3, but **KHD** eased after its recent gains.

Autos were mixed, with **Daimler** adding DM 3.00, and **VW** easing DM 0.40.

Mannesmann gained DM 1.40, while other Steels eased. Elsewhere, **Veba** and **RWE** rose, and **AEG** shed DM 1.

Tokyo

Share prices closed slightly lower in moderate trading, with profittaking in resources-related issues and trading firms more than offsetting early gains.

The market average fell 8.17 to 6,437.25, with volume 300m shares. The Tokyo Stock Exchange Index rose 0.16 to 453.62.

Nippon Oil, Teikoku Oil, Mitsui Mining Toa Nenryo and **Nippon Mining** led losses, while Chemicals, Pharmaceuticals, Constructions, and Electricals gained.

Caution about high price levels and a lack of fresh factors invited profit-taking in front-running shares, including Petroleums, Trading Firms and Minings.

Nippon Oil lost Y20 to Y1,550, **Teikoku Oil** Y27 to Y793, **Toa Nenryo** Y34 to Y986, **Nittetsu Mining** Y10 to Y675 and **Sumitomo** Y14 to Y400.

Communication Equipments and Heavy Electricals—including **Fujitsu** and **Toshiba**—fell, while **Sony, Sharp, Green Cross, Kyowa Fermentation, Kajima Construction** and **Taito** were higher.

Australia

The mining sector dominated trading with strong gains.

The market was generally firm, with more demand for Speculatives. The Sydney All Ordinary Index again established a new high of 644.09, against Wednesday's 641.07.

North BH firmed 25 cents to a new high for the year of A$2.30. **South BH** rose 2 cents to A$2.10, helped by stronger commodities' prices in London.

MIM firmed 8 cents to A$3.78, and **Peko Wallsend** 6 cents to A$5.96. A number of Uraniums closed stronger, with **Mary Kathleen** up 5 cents to A$1.05.

Coal producer **Oakbridge** firmed 14 cents to A$1.80. Brokers said the market had *largely taken into account* the profit downturn announced on Wednesday, so the forecast of a much improved performance this year lifted the stock.

Market leader **BHP** rose 7 cents to A$10.05 on the report of minor gas shows in its Warroon exploration well in the Surat Basin.

Elsewhere, **Philip Morris** gained 10 cents to A$6.30, while stocks and holdings rose 16 cents to A$5.46.

Among speculatives, **Central Pacific** rose 30 cents to A$13.80 and **Southern Pacific** 10 cents to A$5.30.

Paris

Share prices steadied after an initial easing on some profit taking, with the Government's Fr 4.5bn economy-boosting measures announced on Wednesday aiding market sentiment.

Banks, Insurances, Properties, Foods and Oils were steady, while Cars, Constructions, Electricals and Chemicals were mixed.

Mechanical Engineerings firmed and Department Stores and Metals eased.

Cie Francaise des Petroles firmed Fr 3.80 to Fr 212 after news that it was reducing its crude oil sales due to supply problems.

Among Foreign Stocks, Germans firmed, Oils were mixed, Golds and Coppers were *steady* and Americans eased.

Switzerland

Prices closed steady in moderate volume with investor interest focused on secondary *stocks*.

Sentiment was underpinned by the bond market tone, which was aided by the 0.5 per cent drop of City of Zurich August consumer prices.

Ciba-Geigy, Brown Boveri and **Sulzer** were steady among leading Industrials, but **Nestle, Sandoz** and **Alusuisse** eased slightly. **Swissair** fell after a recent sustained advance.

In actively traded secondary Financials, Interpan were steady after a fall the previous day.

Among unofficially quoted shares, **Maschinenfabrik Rieter** rose.

Domestic bonds closed slightly higher and foreign bonds were firmer.

Dollar stocks traded mostly below overnight New York closing levels, while most German shares rose. Dutch Internatonals closed steady with *Royal Dutch higher.*

Elsewhere in foreign issues, **Norsk Hydro** eased while **Angold** rose in active trading.

Brussels

Share prices were mostly higher in quiet trading.

Asturienne, Hoboken, 'FN, ACEC and **Tessenderloo** rose, while **UCR** and **CRR** fell.

In foreign stocks, UK and Germans were *higher, Dutch* little changed, U.S. mixed and French lower. Gold mines were firm. **Petrofina** and **American Petrofina** fell, while **Canadian Petrofina** rose.

Hong Kong

Stock prices closed easier in quiet afternoon trading on a low turnover.

The Hang Seng Index was down 3.49 at 577.39, after opening the day strongly.

The market dipped later in the morning on renewed fears of interest rate increases, but renewed buying was detected *shortly before the close.*

Among leaders, **HK Wharf** fell 50 cents to HK$35, **HK Bank, Jardine Matheson** and **Swire Pacific "A"** eased 10 cents to HK$13.60, HK$10.90 and HK$8.05. **HK Land** fell 15 cents to HK$8.45 and **Hutchison Whampoa** 5 to HK$4.95.

Cheung Kong fell 20 cents to HK$13, **SHK Properties** 20 to HK$10.60, **HK Hotels** 10 to HK$18.40 and **Swire Properties** 2.5 to HK$3.925. **HK Land Warrants 1986** fell 12.5 to HK$4.625 and **Land Warrants 1980** dropped HK$35 to HK$625.

Milan

Stocks closed firmer in active trading. The Milan Bourse Index reached a new high of 89.12.

Insurance, Bank and Financial shares rose, including *Assicurazioni Generali, Mediobanca and Bastogi.*

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
⊕ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. *a* Florins. *b* Schillings. *c* Cents. *d* Dividend after pending rights and/or scrip issue. *e* Per share. *f* Francs. *g* Gross div. %. *h* Assumed dividend after scrip and/or rights issue. *k* After local taxes. *m* % tax free. *n* Francs including Unilac div. *p* Nom. *q* Share split. *s* Div. and yield exclude special payment. *t* Indicated div. *u* Unofficial trading. *v* Minority holders only. *y* Merger pending. * Asked. † Bid. § Traded. ‡ Seller. *z* Assumed. *xr* Ex rights. *xd* Ex dividend. *xc* Ex scrip issue. *xa* Ex all. Δ Interim since increased.

Indices

NEW YORK—DOW JONES

	Aug. 29	Aug. 28	Aug. 27	Aug. 24	Aug. 23	Aug. 22	1979 High	1979 Low	Since Compil'n High	Since Compil'n Low
● Industr'ls	884.90	884.64	885.41	880.20	880.58	888.84	888.52 (20/8)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	85.44	85.47	85.51	85.76	85.92	86.05	88.10 (15/6)	82.92 (8/5)	—	—
Transport.	268.48	269.58	270.11	268.60	270.25	270.65	271.77 (15/8)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	108.93	108.69	108.86	108.44	108.61	109.27	109.61 (23/8)	98.51 (15/5)	163.32 (20/4/69)	10.58 (28/4/42)
Trading Vol 000's	30,810	28,450	32,050	32,740	35,920	38,450	—	—	—	—

● Day's high 888.23 low 879.52

Ind. div. yield %	Aug. 17	Aug. 10	Aug. 3	Year ago (approx)
	5.57	5.64	5.73	5.26

STANDARD AND POORS

	Aug. 29	Aug. 28	Aug. 27	Aug. 24	Aug. 23	Aug. 22	1979 High	1979 Low	Since Compil'n High	Since Compil'n Low
‡Indust'ls	121.05	121.68	121.90	120.44	120.41	120.85	121.05 (29/8)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	109.02	109.65	109.84	108.60	108.65	108.39	109.02 (29/8)	96.13 (27/2)	125.55 (11/1/73)	4.40 (1/6/32)

	Aug. 15	Aug. 8	Aug. 1	Year ago (approx)
Ind. div. yield %	5.02	5.15	5.22	4.70
Ind. P/E Ratio	8.41	8.21	8.07	9.99
Long Gov. Bond Yield	8.89	8.85	8.91	8.54

N.Y.S.E. ALL COMMON

Aug. 29	Aug. 28	Aug. 27	Aug. 24	1979 High	1979 Low
62.18	62.16	62.24	61.94	62.13 (22/8)	53.88 (27/2)

Rises and Falls

	Aug. 29	Aug. 28	Aug. 27
Issues Traded	1,860	1,876	1,887
Rises	713	651	906
Falls	733	762	577
Unchanged	414	463	404
New Highs	95	—	116
New Lows	5	—	4

MONTREAL

	Aug. 29	Aug. 28	Aug. 27	Aug. 24	1979 High	1979 Low
Industrial	295.86	295.27	295.38	292.75	295.86 (29/8)	219.18 (2/1)
Combined	287.85	287.39	287.77	288.19	287.85 (29/8)	225.88 (2/1)
TORONTO Composite	1678.5	1678.98	1676.7	1669.7	1669.7 (24/8)	1315.8 (2/1)
JOHANNESBURG Gold	557.8	557.4	329.1	—	557.6 (23/8)	225.4 (17/4)
Industrial	345.8	346.8	346.5	—	345.8 (29/8)	279.5 (2/1)

	Aug. 30	Pre-vious	1979 High	1979 Low
Australia (¶)	644.09	641.07	644.09 (30/8)	545.73 (2/1)
Belgium (‖)	106.59	106.14	109.00 (6/7)	98.80 (3/1)
Denmark (**)	88.48	86.57	97.46 (25/1)	88.32 (8/1)
France (††)	92.5	93.5	93.6 (29/5)	71.5 (15/2)
Germany (‡‡)	782.10	788.2	839.8 (16/1)	719.4 (7/6)
Holland (§§)	75.5	75.9	85.9 (24/1)	71.3 (7/6)
Hong Kong (¶¶)	577.5	595.88	625.78 (15/6)	493.83 (2/1)
Italy (‖‖)	89.12	87.96	89.12 (30/8)	68.39 (2/1)
Japan (a)	455.62	455.46	482.97 (31/1)	435.13 (13/7)
Singapore (b)	390.58	387.75	406.30 (17/6)	346.34 (23/2)

	Aug. 30	Pre-vious	1979 high	1979 Low
Spain (d)	94.52	94.45	111.98 (8/3)	91.43 (13/7)
Sweden (c)	345.22	351.61	401.34 (6/2)	338.86 (25/6)
Switzerld (f)	320.9	321.6	329.1 (8/6)	294.0 (3/1)

Indices and base dates (all base values 100 except NYSE All Common — 50: Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. *a* Tokyo New SE 4/1/68. *b* Straits Times 1966. *c* Closed. *d* Madrid SE 29/12/78. *e* Stockholm Industrial 1/1/58. *f* Swiss Bank Corporation. *u* Unavailable.

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Damon	721,700	6¾	+⅛
Penn. Fin.	477,500	10½	+⅜
Am. Cyan.	387,800	30	+2¾
Kaufl Broad	354,900	13½	+1⅛
NCR	351,200	77¼	−4
ATT	313,700	56⅝	−⅛
IBM	295,300	69⅝	−⅛
Amhen-Dan	287,700	24⅞	+⅞
Citicorp	256,100	25⅝	−⅛
Sears Roe	225,400	19⅞	+⅛

EUROPEAN OPTIONS EXCHANGE

Series		Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	April Vol.	April Last	Stock
AKZ C	F.25	30	5.20	—	—	1	5.70	F.29.90
AKZ C	F.30	117	1.10	2	1.90	17	2.70	"
AKZ C	F.32.50	2	0.20	80	0.90	—	—	"
AKZ P	F.32.50	8	3.20	25	3	—	—	"
HO C	F.32.50	—		10				"
IBM C	$70	—		1	4⅝		—	$70
KLM C	F.110	11	3.50	14	6	10	8.30	F.106
KLM C	F.120	25	0.50			—	—	"
KLM P	F.100	30	0.70	45	2.50		—	"
KLM P	F.110	—	—	—	—	20	7.50	"
NN C	F.110	1	6.50	—	—	—		F.114.90
NN C	F.115	—		—		1	6.70	"
PET C	Fr.50.00	—	—	5	500	—	—	Fr.50 60
PHI C	F.22.50	2	1.80	102	2.30	110	2.80	F.23.70
PHI C	F.25	6	0.40	45	0.90	52	1.40	"
PHI C	F.27.50	25	0.10	100	0.30	—	—	"
PHI P	F.25	25	1.40	60	1.40	10	1.40	"
RD C	F.140	—		5	11	10	15.40	F.149.80
RD C	F.145	15	6	45	7	23	10	"
RD C	F.150	67	2.30	64	4.60		—	"
RD C	F.160	90	0.50	72	2	—	—	"
RD P	F.140	70	0.70	—	—	—	—	"
RD P	F.145	238	2.20	—	—	—	—	"
RD P	F.150	25	6.50	—	—		—	"
RD P	F.160	16	14.40		—	—	—	"
UNI C	F.130	10	1.70			—	—	F.129.30

TOTAL VOLUME IN CONTRACTS 1,740

C=Call P=Put

Tariff rates in tape form

INFORMATION on tariffs will be available from Customs and Excise in computer tape form from the start of next year.

The tapes will be issued each January at an estimated cost of £50 with possible updating a month or so later. Although they will give changes in duty rates arising from the Tokyo Round of the General Agreement on Tariffs and Trade, the tapes will not include written goods descriptions.

BASE LENDING RATES

A.B.N. Bank	14 %
Allied Irish Bank Ltd.	14 %
Amro Bank	14 %
American Express Bk.	14 %
Henry Ansbacher	14 %
A P Bank Ltd.	14 %
Associates Cap. Corp.	14 %
Banco de Bilbao	14 %
Bank of Credit & Cmce.	14 %
Bank of Cyprus	14 %
Bank of N.S.W.	14 %
Banque Belge Ltd.	14 %
Banque du Rhone et de la Tamise S.A.	14½ %
Barclays Bank	14 %
Bremar Holdings Ltd.	15 %
Brit. Bank of Mid East	14 %
■ Brown Shipley	14 %
Canada Perm't Trust	14 %
Cayzer Ltd.	14 %
Cedar Holdings	14 %
■ Charterhouse Japhet	14 %
Choulartons	14 %
C. E. Coates	14 %
Consolidated Credits	14 %
Co-operative Bank	*14 %
Corinthian Secs.	14 %
Credit Lyonnais	14 %
The Cyprus Popular Bk.	14 %
Duncan Lawrie	14 %
Eagil Trust	14 %
English Transcont.	14 %
First Nat. Fin. Corp.	15½ %
First Nat. Secs. Ltd.	15½ %
■ Antony Gibbs	14 %
Greyhound Guaranty	14 %
Grindlays Bank	‡14 %
■ Guinness Mahon	14 %
■ Hambros Bank	14 %
■ Hill Samuel	§14 %
C. Hoare & Co.	†14 %
Julian S. Hodge	15 %
Hongkong & Shanghai	14 %
Industrial Bk. of Scot.	14½ %
Keyser Ullmann	14 %
Knowsley & Co. Ltd.	15½ %
Lloyds Bank	14 %
London Mercantile	14 %
Edward Manson & Co.	15 %
Midland Bank	14 %
■ Samuel Montagu	14 %
■ Morgan Grenfell	14 %
National Westminster	14 %
Norwich General Trust	14 %
P. S. Refson & Co.	14 %
Rossminster	14 %
Ryl. Bk. Canada (Ldn.)	14 %
Schlesinger Limited	14 %
E. S. Schwab	15 %
Security Trust Co. Ltd.	15 %
Shenley Trust	16 %
Standard Chartered	14 %
Trade Dev. Bank	14 %
Trustee Savings Bank	14 %
Twentieth Century Bk.	15 %
United Bank of Kuwait	14 %
Whiteaway Laidlaw	14½ %
Williams & Glyn's	14 %
Yorkshire Bank	14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month deposits 11½%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000, 12% and over £25,000 12¼%.
‡ Call deposits over £1,000 11½%.
§ Demand deposits 11½%.

هكذا من الأصل

COMMODITIES AND AGRICULTURE

هكذا من الأصل

Indian tea exports rising

By P. C. Mahanti

CALCUTTA — Export demand for Indian teas has been rising. The Tea Board issued export licences for 70m kilos between April and July this year against 52m kilos during the same period last year.

This is also partly the result of a Government decision to allow for maximum exports irrespective of the size of the current crop. The industry expect that at least 200m kilos will be exported in 1979-80.

Industry sources do not expect a serious shortage in the domestic market even if the 1979 crop is lower than last year's 570m kilos. The crop to date is running 25m kilos behind 1978 levels.

Due to an export of only 180m kilos in the 1978-79 financial year there is a 100m kilos carry-over trade sources say.

But with higher coal, furnace oil and fertiliser prices and further wage increases in prospect, the United Planters Association of Southern India has warned that many tea estates are in danger of going into the red.

U.S. cotton stocks boost predicted

WASHINGTON — A much larger U.S. cotton crop this year, along with some weakening in exports and domestic textile mill demand, should boost the U.S. cotton stockpile by around 42 per cent by next summer, Agriculture Department officials said here.

Current Agriculture Department estimates put the 1979 cotton harvest at 13.7m bales, up nearly 26 per cent from the small 1978 harvest of 10.9m bales. Stockpiles on August 1 were drawn down to 3.8m bales, compared with 5.3m a year ago.

But the new crop, along with diminished requirements, will rebuild the stockpiles to around 5.4m bales by next August 1, USDA officials said. In all, cotton "disappearance" in 1979-80 is estimated at about 12.2m bales, compared with 12.6m in the past year.

Exports are expected to be about 6m bales, down from last season's 6.2m, which were up sharply from 5.5m in 1977-78.

AP-Dow Jones

General advance in metal markets

BY JOHN EDWARDS, COMMODITIES EDITOR

METAL PRICES advanced strongly on the London markets yesterday. Silver leapt to a new peak following the upward trend in gold and the rise in U.S. values overnight.

The bullion market's spot quotation for silver was raised by 14p to a record 462.2p an ounce, and profit-taking sales in the afternoon brought only a small decline. The cash price on the London Metal Exchange closed 13.35p higher at 461.55p.

Copper was boosted by the strength of precious metals and the overnight rise in the New York market. Cash wirebars gained £17.5 to £938.5 a tonne.

Main buying interest, however, is reported to have come from speculative sources, with consumer demand remaining quiet. Nevertheless, the shortage of wirebar supplies immediately available to the market continues with the cash price maintaining its premium over the three months quotation.

"Bullish" sentiment was aided by an International Monetary Fund forecast that Zaire's copper exports would fall to 350,000 tonnes, against 410,000 tonnes last year.

The rise in copper prompted a general rise in other base metal prices. Cash tin rose by £67.5 to £6,775 a tonne, re-establishing a premium over the three months quotation.

The advance reflected higher Penang market values overnight and fears that the Rotterdam port strike might worsen the scarcity of nearby supplies that appears to be developing.

Cash lead also moved to a slight premium over the three months quotation, gaining £15.5 to £547.5 a tonne.

The rise in zinc, following the news of the production cutback by the West German smelters, Preussag, was strengthened by the firm tone in other metals.

It is still not certain just how much Preussag have reduced actual production and whether other producers will follow suit.

Cutbacks of this kind need advance planning in order to adjust supplies of concentrates and power, as well as hours worked by the labour force.

But Preussag's move has been welcomed as an indication that something drastic has to be done to stop surplus stocks building up too high again.

Aluminium prices closed higher, but there were reports in late dealings that a settlement of the Alcan smelters strike in Quebec was imminent.

Coffee smugglers cost Brazil $162m

BY RIK TURNER IN SAO PAULO

ALTHOUGH Paraguay has an annual coffee production of some 93,000 bags (60 kilos each) so far this year she has exported over 280,000 bags to the U.S. and a similar quantity to countries in Europe.

How does she manage to do this? The answer, according to the authorities in neighbouring Brazil, is the growing trade in smuggling coffee.

Experts at the Coffee Trade Centre in Rio de Janeiro estimate that over 1m bags, a tenth of their country's legal exports, are being smuggled into Paraguay. The point of departure is the Brazilian border state of Parana.

Such large movement obviously requires a major operation—sometimes as many as 100 lorries at one time—and federal authorities remain baffled as to how so much traffic goes unnoticed.

But there can be no doubt that it is leaving Brazil, and costing the country a considerable sum in lost revenue. Every exported bag of coffee pays a "contribution quota" (export tax) of $137 plus commodity circulation tax (the Brazilian equivalent of VAT) of $15. Together, this would mean losses on the estimated 1m smuggled bags of $162m.

Parana Senator Jose Richa, denouncing Brazilian coffee's "Paraguayan connection," described a particularly ironic aspect of the situation: "the port of embarkation for Paraguay's coffee exports is Paranagua (in Brazil), so that this 'Paraguayan' coffee goes out to compete with our product via a Brazilian port."

Hurricane fears lift sugar

By Our Commodities Staff

NERVOUSNESS ABOUT the prospect of hurricane David hitting sugar-growing islands in the Caribbean prompted a sharp rise in world sugar values yesterday.

The London daily raw sugar price was fixed unchanged at £105 a tonne in the morning but on the futures market the December position advanced £3.225 to close at £116.30 a tonne.

The hurricane was reported to be heading for the Dominican Republic and Cuba. Neither of these countries is actually producing sugar at the moment but there is still the risk of damage to growing crops.

A London dealer noted, however, that there is a tendency for hurricanes to skirt round islands as large as these with damage generally being confined to coastal areas.

Yesterday's price rise was also encouraged by the decline in the value of sterling, traders said. News of a 1 cent a pound reduction in the U.S. import fee with effect from next week was thought to have influenced some buyers.

Cottonseed production set to rise

WORLD COTTONSEED production is expected to increase by 6 per cent in 1979/80 to 24.8m tonnes from 23.4m in the previous year, according to Oil World, the Hamburg-based publication.

U.S. production is expected to provide the bulk of the rise by improving 28 per cent to 4.86m tonnes from 3.8m in 1978/79. The forecast increase in U.S. output is due to a 7.2 per cent rise in the area harvested and to higher yields.

The Soviet Union, the world's largest cottonseed producer, is expected to slightly raise production to 5.1m tonnes from 4.93m in 1978/79 and Oil World says that following monsoons and flooding, the Indian crop is now likely to produce 2.5m tonnes, against 2.6m last year.

Reuter

UK GRAIN MARKETING

The price of independence

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

HEARING THAT a couple of lorry loads of malting barley had been stolen in East Anglia the other day, a cynical friend remarked that the villain was probably a maltster simply carrying his principles to their logical conclusion.

Maltsters, together with millers and other end users, are traditionally tough buyers of grain. It seems to many farmers that the wide-spread mergers and amalgamations of the last 30 years have made them more arbitrary and ruthless than ever.

The background to my friend's outburst was the news that a leading maltster had reduced its buying price for high grade barley by £5 a tonne, as in the company's view, its needs were well covered for the immediate future. The crop of good barley was turning out better than expected and they expected to secure sufficient supplies of grain.

In other words, the maltsters were taking advantage of market conditions. Logically, no one can blame them for that.

In the face of such action a farmer has very little choice but to sit on his grain until the market rises. Because those who did this last year secured very high prices for April and May deliveries I suspect that many farmers will be tempted to do so again. This could force prices up in the next few months only to see them collapse at the end of the grain year.

But the grain held back like this is usually of feeding quality. The malting barley market is limited, taking perhaps a quarter of the total barley crop. Maltsters tend to fill their stores quite early. Adept at the hard-luck story, crocodile tears pour down their cheeks as they tell of competition from cheap French malt imports, lost markets abroad, lower beer consumption and so on. These arguments are passed back to farmers by the merchants with whom most of the maltsters deal.

The fact that the majority of grain growers have their own storage, some quite sophisticated, is a source of both strength and weakness. Because of it a farmer can choose his date of marketing. But by the mere fact of having this advantage he forfeits the strength given by the use of centralised storage under farmers' control.

There are, it is true, some quite effective farmer-controlled grain storage and selling organisations and more are being formed. But although these are a convenience and take the responsibility of selling off the farmers' shoulders, they have little impact on the market overall because of their small number. The only way this could be improved would be to have an organisation like the Milk Marketing Board moving all the grain through one outlet.

This, in fact, is what happens to grain in Australia where all selling is in the hands of the Wheat Board: growers are paid the eventual realisation price. The main reasons why such a system has not been adopted in Britain is that until the UK joined the European Community, domestic farm policy encouraged unrestricted imports, which made holding out for higher prices impossible. At the same time independently-minded grain farmers, like to deal and are confident they can beat the market.

This arrogance has no real basis in fact because the alternative has never been tried. There is also evidence that at the moment we are very bad sellers indeed. That is if the object of selling by farmers is the exploitation of the market.

Since Britain joined the EEC the grain market has been maintained by the threshold price which sets a minimum level for grain imports and the intervention price which fixes a "floor" for domestic prices. The threshold price of maize and barley for August is just over £105 a tonne. The spot price for home-grown barley is £83 a tonne ex-farm.

The threshold price in fact has little influence on the market for feed barley. This, at the moment, is governed by the intervention price which for August barley is £86.71. The difference is because it costs between £3 and £4 a tonne to take grain from the farm and put it into an intervention store. It is obvious then that the trade is being entirely controlled at present by intervention, although amounts actually sold into intervention are negligible.

It is true to say that prices for forward delivery are above the intervention level for those months but they are still a long way below those of foreign supplies should the buyers seek alternatives. The same applies to milling and feed wheat.

Grain growers organise things better in the rest of Europe, where market prices are nearly all above the intervention level. The importance of the threshold price to Britain is that between 6m to 8m tonnes of grain, including maize, are still imported annually. However, prices of domestically grown grain are still well below imported levels because of poor marketing.

There is no doubt in my mind that an independent attitude to marketing is only held by a minority of farmers these days, and a declining minority at that.

Many younger farmers are very conscious that a better system must be evolved, in which returns could be more accurately determined. They also feel they have better things to do looking after their farms preferring to leave the market place to the experts.

They are undoubtedly right, but I still hope the old ways will see me out.

Wool Board expects difficult season

BY CHRISTOPHER PARKES

THE BRITISH Wool Marketing THE British Wool Marketing Board faces another difficult season and the prospect of further drains on its reserves, Mr. Walter Elliot, chairman, said in the Board's annual report.

At the start of the new 1979-1980 season it was clear that high interest rates would bring a big increase in the cost of purchasing wool from producers. And if inflation reaches forecast levels at the end of the year, payments to merchants handling the UK clip will be much higher than the amount budgeted, he said.

Sales will also be affected by the Government's decision to maintain the strength of sterling. UK wool will be put at a disadvantage on a market already suffering from lack of activity.

Stagnation has set in largely as a result of the impact of the oil crisis on consumer spending in most of the main textile manufacturing countries.

Last year, the report reveals, the costs within the Board's control increased only by 3 per cent compared with a 10.1 per cent rise in the retail prices index.

Even so, the cost of financing the purchase of wool from farmers rose by nearly £750,000 mainly because of record interest rates during the board's peak borrowing period. At the end of April this year reserves in the special account stood at £6.1m, and the Board's basic financial structure remains sound.

The 1978 clip rose by more than 9 per cent to 35.2m kilos—the highest level for more than 10 years—with the highest increases recorded in the lowlands of England. The Welsh clip rose 10 per cent to a post-war record of 6.9m kilos.

And there are clear indications that further expansion is coming. The number of wool producers increased last year for the first time in 15 years.

Difficulties in the market were reflected in the failure of the average price for wool to reach the guaranteed level of 110p a kilo. The deficiency of more than £1m will be met from the £6.1m reserve.

French beet puts on weight

PARIS—The results of the third French beet test, made on August 27, show an average root weight of 452 grammes compared with 377 at the same time last year, the Sugar Beet Planters' Association said.

Sugar content was 14.80 per cent compared with 16.03 per cent while sugar per hectare was 5.94 tonnes against 5.50 tonnes.

The second test, made on August 13, showed average root weight of 372 grammes, and sugar content of 14.11 per cent. The next test will be made on September 10.

Reuter

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Higher again in very active trading on the London Metal Exchange. Forward metal opened higher at £920 owing to the rise on Comex and moved up strongly to touch the day's high of £936 reflecting the shortage of nearby supplies which widened the backwardation to around £9 at one point coupled with stop-loss and fresh buying. However, an easing in the nearby shortage coupled with a slightly disappointing opening on Comex saw the backwardation narrow to around £5½ and brought out heavy profit-taking which took forward metal to £925 on the late kerb. Turnover 21,150 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £938, three months £921, 22, 23, 25, 27, 28, 29, 28.5, 29, 30, 29.5, 30. Cathodes, cash £891, three months £908. Kerb: Wirebars, three months £928, 31, 32, 33, 33.5, 34, 35, 34.5, 35, 36, 35. Afternoon: Wirebars, three months £933, 34, 35, 34.5, 34, 33, 31, 30, 31, 31.5, 32, 31.5. Kerb: Wirebars, three months £930, 29, 28, 27, 26, 25.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	938.5-40	+35.7	938-9	+17.5
3 months	929.5-30	+31.2	931-2	+18
Settlem't	940	+34	—	...
Cathodes				
Cash	891-2	-28.5	894-7	+21.5
3 months	908-9	+28.5	911-2	+22.5
Settlem't	892	+28	—	...
U.S. Smt.	—	...	*84-87½	...

TIN—Gained ground reflecting the rise at Penang and the general firmness in base-metals. Forward metal opened higher at £6,730 and moved up to £6,760 before closing the late kerb at the former price. Turnover 1,405 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6765-85	+82.5	6770-80	+67.5
3 months	6755-75	+72.5	6750-70	+37.5
Settlem't	6785	+85	—	...
Standard				
Cash	6755-65	+82.5	6770-80	+67.5
3 months	6745-50	+70	6740-50	+37.5
Settlem't	6765	+85	—	...
Straits E.	‡1915	+95	—	...
NewYork	—	...		...

Morning: Standard, cash £6,780, 75, three months £6,735, 40, 50, 55, 50, 45. Kerb: Standard, three months £6,745, 50. Afternoon: Standard, cash £6,770, three months £6,750, 40, 45. Kerb: Standard, three months £6,635, 30, 35.

LEAD—Moved ahead. Strong gains in gold, silver and copper coupled with the absence of any significant selling pushed forward metal up from £532 on the early pre-market to the day's high of £551 prior to a close on the late kerb of £547. Turnover 8,625 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Cash	539-40	+10.7	547-8	+15.5
3 months	538-.5	+8.5	545-6	+13
S'ment	540	+11	—	...
U.S. Spot	—	...	*58-62	...

Morning: Cash £539, three months £533, 34, 35, 36, 37, 38, 39, 38.5. Kerb: Three months £539, 40. Afternoon: Three months £545, 46, 45. Kerb: Three months £546, 48, 50, 51, 49, 48, 47, 48.

ZINC—Gained ground in line with other metals and also reflecting strong buying from one particular quarter thought to have been representing trade interests. Forward metal opened at £311 and moved up to touch £321 before closing the late kerb at £318.5. Turnover 6,225 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Cash	304.5-5.5	-12	311-2	+15.5
3 months	316-.5	+15.7	321-.5	+14.5
S'ment	305.5	+12	—	..
Prim w'st	—	....	*59.5	..

Morning: Three months £312, 13, 15, 16, 17, 16. Kerb: Three months £317, 18. Afternoon: Cash £311, three months £317, 19, 20, 22, 21, 20, 21, 22, 21.5. Kerb: Three months £320, 19.

ALUMINIUM—Higher as the strength of other base-metals saw forward pre-market to the day's high of £705 in metal rise from £685.5 on the early the afternoon before a close of £698 on the late kerb. Turnover 4,275 tonnes.

Alumn'm	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	699-700	+7.5	706-7	+19.5
3 months	698-.5	+8.75	702.5-3.5	+9.5

Morning: Three months £699, 700, 699.5, 99, 98, 98.5, 99, 98. Kerb: Three months £698.5. Afternoon: Three months £701, 2, 5, 4, 3, 2.5, 3. Kerb: Three months £702, 696, 97, 98.

NICKEL—Marginally higher influenced by the trend in other metals. Forward metal opened at £2,620 and eased to £2,600 before recovering to close the late kerb at £2,645. Turnover 257 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2520-35	-15	2560-80	+17.5
3 months	2600-10	-10	2640-50	+20

Morning: Three months £2,630, 20, 25. Kerb: Three months £2,610, 2,600. Afternoon: Cash £2,530, three months £2,620, 30, 40. Kerb: Three months £2,650, 40.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

COMPANY NOTICES

BERJUNTAI TIN DREDGING BERHAD

(Incorporated in Malaysia)

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the thirty-eighth annual general meeting of the members of BERJUNTAI TIN DREDGING BERHAD will be held at the registered office of the company, Wisma Bunga Raya 152 Jalan Ampang, Kuala Lumpur 04-06, Malaysia on Tuesday, 25th September 1979 at 10.00 a.m. for the following purposes:

To consider and if thought fit, pass the following as ordinary resolutions

1. "THAT the profit and loss account for the year ended 30th April 1979 and the balance sheet of the company at that date together with the annexed report of the directors be and are hereby approved and adopted and that the final dividend of 40 sen per share, less tax at 40%, recommended therein be and is hereby declared payable on 26th September 1979 to shareholders registered at the close of business on 7th September 1979."
2. "THAT Mr A. J. W. Owston, who retires from the board by rotation be and is hereby re-elected a director of the company."
3. "THAT Y. B. Dato' Zulkifli Kamaruddin who was appointed to the board since the last annual general meeting, be and is hereby re-elected a director of the company."
4. "THAT Y. M. Raja Badrol Ahmad, who was appointed to the board since the last annual general meeting, be and is hereby re-elected a director of the company."
5. "THAT Messrs Turquand's Ernst & Whinney be and are hereby appointed the company's auditors for the period until the conclusion of the next annual general meeting and that the remuneration to be paid to them be fixed by the board."

By order of the board
CHAN HON KEONG
Secretary

Kuala Lumpur
30th August 1979

Note
A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the company. A form of proxy to be valid must reach the registered office of the company not less than 48 hours before the meeting.

SLATER WALKER INTERNATIONAL FINANCE LIMITED

7½% 1972-1987 Luxembourg Francs 500,000,000

Holders of the above mentioned bonds are hereby informed that the annual redemption instalment due October 15, 1979, amounting to Luxembourg Francs 50,000,000, has been entirely repurchased in the market.

Consequently, a drawing by lot will not take place this year.

The amount of bonds outstanding after the redemption date will be Luxembourg Francs 400,000,000.

BANQUE INTERNATIONALE A LUXEMBOURG
Paying Agent

Luxembourg, August 31, 1979

SILVER

Silver was fixed 14p an ounce higher for spot delivery in the London bullion market yesterday at 462.2p. U.S. cent equivalents of the fixing levels were: spot 1038.6c, up 30.4c; three-month 1064c, up 30c; six-month 1085.1c, up 30.5c; and 12-month 1122.6c, up 12.9c. The metal opened at 453¾-455p (1022-1025c) and closed at 461¾-463p (1033-1042c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	462.20p	+14.0	461.5p	+11.5
3 months	475.55p	+18.7	475.5p	-12.0
6 months	486.50p	+14.1	—	....
12months	507.20p	+15.4	—	....

LME—Turnover 319 (311) lots of 10,000 ozs. Morning: Three months 475.5, 5.3, 76. Kerb: Three months 476. Afternoon: Three months 475.3, 5.5. Kerb: Three months 475.3, 5.1, 75.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 265 tonnes, bringing the total for the week so far to 784 tonnes. Fairly extensive demand resulted in a reasonable offtake. Users were operating more freely, particularly in American-type varieties, with Russian and Turkish qualities in chief request.

COCOA

Sales: 48 (48) lots of 100 tonnes. Cocoa futures were barely steady throughout a featureless day with earlier gains being eroded in late dealings for prices to close at the lows of the day, reported Gill and Duffus.

COCOA	Yesterd'y's Close	+ or —	Business Done
Sept	1515-1516	-21.5	1544-1515
Dec	1381-1382	-6.0	1408-1380
March	1425-1426	-4.0	1447-1422
May	1448-1450	-9.5	1472-1448
July	1470-1475	-15.5	1492-1470
Sep	1490-1505	-15.0	—
Dec	1528-1535	-7.0	1550-1525

Sales: 3,834 (3,732) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price Aug. 29 140.84 (142.89); Indicator price for Aug. 30: 15-day average 142.56 (142.60); 22-day average 142.41 (142.37).

COFFEE

The London Coffee futures opened slightly higher as expected with trade buying prompting the continuing steady trend of the market, reported Drexel Burnham Lambert. The afternoon remained featureless and despite an easier tendency in New York C Contract levels, Robustas maintained earlier gains while a large sell trade in the spot position boosted the days volume somewhat.

COFFEE	Yesterdays Close	+ or —	Business Done
	£ per tonne		
September	1800-01	+13.0	1805-1786
November	1848-50	+6.0	1855-41
January	1860-62	+8.0	1866-52
March	1825-27	+12.0	1837-19
May	1813-18	+12.5	1826-10
July	1795-98	-5.5	1815-10
Sept	1785-80	-0.6	—

Sales: 8,654 (4,763) lots of 5 tonnes.

ICS Indicator prices for August 29 (cents per pound): Other Mild Arabicas 204.08 (203.33). Robustas ICA 1976 189.25 (189.88). ICA 1968 189.50 (190.13). Colombian Mild Arabicas 213.00 (211.00). Unwashed Arabicas 208.00 (205.25). Comp. daily ICA 1968 201.01 (200.85).

GRAINS

	WHEAT		BARLEY	
M'nth	Yesterd'ys close	+ or —	Yesterdys close	+ or —
Sept.	91.30	+0.50	88.15	-0.15
Nov	95.20	+0.20	91.60	-0.20
Jan	99.40	+0.10	95.95	+0.20
Mar	102.85	+0.20	99.40	+0.20
May	106.05	+0.15	102.55	+0.25

Business done—Wheat: Sept. 91.65-91.05, Nov. 95.50-94.85, Jan. 99.70-99.20, March 103.00-102.50, May 106.15-106.10. Sales: 226. Barley: Sept. 88.20-87.80, Nov. 92.05-91.45, Jan. 96.05-95.60, March 99.65-99.30, May 102.60-102.40. Sales: 342.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent, Aug. 9, Sept. 98.00, Oct. 99.00 transhipment East Coast. U.S. Hard Winter 13½ per cent, Sept. 103.50 transhipment East Coast. EEC unquoted. Maize: U.S./French Aug.-Sept. 109.50 transhipment East Coast. South African White unquoted. South African Yellow Sept.-Oct. 82.50 nom. Barley: English Feed fob Aug. 90.00, Oct.-Dec. 93.50 quoted. Sorghum: U.S./Argentine unquoted. Oats: Scandinavian Feed unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: S. East 84.50, S. West 83.80, W. Midlands 83.10, N. West 84.40. Other milling wheat: N. West 93.60.

The UK Monetary Coefficient for the week beginning Sept. 3 is expected to remain unchanged.

WOOL FUTURES

SYDNEY GREASY—Close (in order, buyer, seller, business, sales). Micron Contract: Oct 406.5, 407.0, 407.5-406 11; Dec. 412.5, 413.0, 412.5-410.0, 39; March 421.0, 422.5, 422.0-421.0, 27; May 422.5, 423.0, 423.0-422.5, 15; July 423.5, 425.0, 424.0, 2; Oct 425.5, 426.5, 426.5-425.0, 3; Dec. 427.0, 429.0, 427.0, 2. Sales: 93.

LONDON GREASY—Close (in order buyer, seller only): Oct 218.0, 223.0; Dec. 216.0, 238.0; March, May, July, Oct., all 228.0, 238.0.

NEW ZEALAND CROSSBREDS—Oct 178.0, 183.0; Dec. 180.0, 185.0; March 181.0, 191.0; May, July, Oct., Dec., all 181.0, 193.0.

BRADFORD—Strength in sterling has tended to lead to an easier tendency with business very quiet. The tone is more depressed again after a short period of optimism; prospects for machinery activity and profitability have worsened.

RUBBER

The London physical market opened easier with little interest throughout the day, closing on a quiet note. Lewis and Peat reported a Malaysian godown price of 274 (277) cents a kilo (buyer, September).

No. 1 R.S.S.	Yesterd'ys Close	Previous Close	Business Done
Sept	57.50-57.40	57.40-57.80	57.60-57.40
Oct	57.80-58.20	58.40-58.75	-
Oct-Dec	58.10-58.15	58.65-58.70	58.65-58.10
Jan-Mar	60.85-60.90	61.45-61.50	61.50-60.85
Apr-Jne	63.15-63.20	63.70-63.75	63.75-63.20
Jly-Sept	65.50-65.55	66.20-66.25	66.00-65.55
Oct-Dec	68.05-68.15	68.75-68.85	68.10
Jan-Mar	70.60-70.65	71.30-71.35	70.90-70.65
Apr-Jne	73.10-73.15	73.80-73.95	73.15-73.10

Sales: 208 (377) at 15 tonnes.

Physical closing prices (buyer) were: Spot 56.00p (56.50p); Oct. 61.00p (61.50p); Nov. 61.50p (62.00).

SOYABEAN MEAL

The London market opened with gains of 50p-£1 on concern of forecasts of less favourable weather conditions in U.S. growing areas reported T. G. Roddick. Nearby positions showed greatest strength as cash interest picked up. Sales: 49 (46) lots of 100 tonnes.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
October	113.80-14.0	+2.40	114.00-13.20
December	118.10-18.3	+1.50	118.90-18.80
February	120.50-21.0	+1.55	121.20-20.90
April	121.00-27.5	+8.75	121.00
June	121.50-24.0	+1.70	—
August	122.00-26.0	+0.75	—

SUGAR

LONDON DAILY PRICE (raw sugar) £105.00 (same) a tonne cif for Aug.-Sept.-Oct. shipments. White sugar daily price was £115.00 (£114.50).

Scattered sell-at-best orders produced an easier opening, but the lows were short-lived. Keen Commission House buying developed following reports that hurricane David threatened Santo Domingo, and the market closed at the highs of the day, some 200 points above first traded levels, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Oct	112.30-12.40	109.30-09.45	112.60-09.25
Dec	116.25-16.35	113.00-13.05	116.55-13.00
March	122.50-22.40	119.00-19.05	122.50-19.00
May	125.65-25.70	122.35-22.40	125.70-23.50
Aug	129.55-29.70	126.75-26.85	129.25-28.75
Oct	133.00-33.50	130.95-31.10	133.00

Sales: 4,618 (2,036) lots of 5 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £297.55 (same) a tonne for home trade and £173.50 (£172.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for August 29: Daily price 9.30 (9.29); 15-day average 8.90 (8.85).

WHITE SUGAR—Close (in order, buyer, seller, business, sales): Nov 116.40, 116.60, 116.50-114.20, 261; Feb 121.90, 121.95, 121.95-121.35, 45; April 125.60, 125.75, 125.00, 39; July 129.50, 129.75, 129.75-129.25, 10; Sept 133.00, 133.75, 133.00, 2; Nov. 137.00, 138.75, nil, nil; Feb 141.00, 143.75, nil, nil: 357.

PRICE CHANGES

In tonnes unless otherwise stated.

	Aug. 30 1979	+ or —	Month ago
Metals			
Aluminium	£710/50		£710/50
Free Mkt (cs)	$1545/65	-35.0	$149/151
Copper			
Cash w'bar	£938.5	+17.5	£828.5
3 mths	£931.5	+18.0	£840.75
Cash Cathode	£895.5	+21.5	£802
3 mths	£911.5	+22.5	£822
Gold troy oz.	$319.375	+5.25	$288.875
Lead cash	£547.5	+15.5	£529
3 mths	£546.5	+15.0	£515.5
Nickel	£2654	.....	£2,884
Freemkt cif lb	250/270c	.....	265/275c
Platin'mtr y oz.	£172.50	.....	£155.5
Free mkt.	£190.20	+2.25	£169.45
Quicksil'ver	$300/320	.....	$290/310
Silver troy oz.	462.20p	+14.0	402.50p
3 months	475.55p	+18.7	413.50p
Tin Cash	£6,775	+67.5	£6,615
3 mths	£6,745	+57.5	£6,627.5
Tungsten	$143.12	.....	$143.12
Wolfrm 22.04 cif	$144/148	.....	$134/140
Zinc cash	£311.5	+15.5	£307
3 months	£321.25	+14.5	£319
Producers	$760	.....	$760
Oils			
Coconut (Phil)	$1,020r	-5.0	$1,050
Groundnut	‡	.....	‡
Linseed Crude	£415	.....	£398
Palm Malayan	$650r	.....	$667
Seeds			
Copra Philip	$670	-5.0	$710
Soyabean (U.S.)	$312.00	+1.80	$316
Grains			
Barley Futures	£91.80	-0.15	£90.80
Maize			
French No3AM	£109.50x	+1.0	£107.0
Wheat			
No. 1 Red Spg.	‡	.....	£93.50
No2HardWint.	£103.50r	-1.0	£96.50
Eng. Millingt.	£97.00r	.....	‡
Other commodities			
Cocoa ship't	£1,462	-5.5	£1,466.5
Future Dec	£1,381.5	-6.0	£1,427.5
CoffeeF't'r Nov	£1,849	+5.0	£1,735.5
Cotton A.Index	78.55c	+0.95	77.05c
Rubber (kilo)	56.00p	-0.50	57.25p
Sugar (Raw)	£105.00	.....	£95.0
Wooltp's 64s kl	270p	-2.0	263p

* Nominal. † New crop. ‡ Unquoted. s Aug.-Sept. t Sept. w Sept.-Oct. x Oct. y Oct.-Nov. z Indicator. § Buyer.

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone. Shell cod £3.00-£3.70. Codlings £3.50-£5.00. Large haddock £4.20-£4.80, medium £3.40-£4.20, small £2.40-3.10. Large plaice 4.40-£5.30, medium £4.40-£5.30, best small £3.50-£4.60. Skinned dogfish, large, £9.50, medium, £7.50. Lemon soles, large, £8.00, medium £7.00. Saithe £1.40-£1.80.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 62.0 to 66.0; Eire hindquarters 74.0 to 77.0, forequarters 42.0 to 44.0. Veal: Dutch hinds and ends 96.0 to 101.0. Lamb: English small 56.0 to 62.0, medium 56.0 to 62.0, heavy 50.0 to 58.0; Scottish medium 56.0 to 58.0, heavy 48.0 to 56.0. Imported frozen: NZ PL 48.5 to 49.5, PM 47.5 to 48.5. Pork: English, under 100 lb 35.0 to 45.0, 100-120 lb 36.0 to 44.0, 120-160 lb 36.0 to 43.0. Grouse: Young, best, each 250.0 to 310.0.

MEAT COMMISSION—Average fatstock prices at representative markets on August 30: GB cattle 79.81p per kg.l.w. (-0.94): UK sheep 138.5p per kg est d.c.w. (-1.5); GB pigs 65.0p per kg l.w. (+3.1). England and Wales—Cattle numbers down 12.1 per cent, average price 08.46p (-0.40); Sheep numbers down 9.5 per cent, average price 139.0p (-1.3); Pig numbers down 1.6 per cent, average price 66.0 (+3.1). Scotland—Cattle numbers down 7.9 per cent, average price 78.34p (-2.16); Sheep numbers up 98.8 per cent, average price 127.1p (-0.7).

COVENT GARDEN—(Prices in sterling per package except where otherwise stated). Imported produce: Oranges—S. African: Valencias 4.00-4.70. Navels/Proteas 2.80-4.50. Brazilian: 2.50. Lemons—Italian: 100/150s 6.00-7.00; Chilean: 9.00; S. African 8.00-9.00. Grapefruit—S. African: 27/72 3.80-6.05. Jamaican: 5.30-6.20; Dominican: 4.30-6.30. Apples—French: Golden Delicious, new crop, boxes 40lb 150/175 3.60-3.80, 20lb 1.60-1.90; S. African: Granny Smith 5.50. New Zealand Red Dougherty 3.60. Sturmers 3.00. Tasmanian: Sturmer Pippin 3.00, Granny Smith 3.50, Croftons 5.00. Pears—Spanish: Williams per pound 0.14. French: Williams 28lb 2.80; Italian Williams per pound 0.14-0.18. Plums—French: Gages 0.15; Hungarian: Switzens 6 kilos 1.30. Grapes—Cyprus: Sultana 0.22, Thompson 0.25, Alphonse 0.25, Rozaki 0.22. Italian: Regina 10lb 2.00; Spanish: Alphonse per pound 0.20. Nectarines—Italian C/B/As 4.50-6.50; French: Alphonse 3.00. Bananas—Jamaican: Per 28lb 4.50. Avocados—S. African: 3.80-4.50. Melons—Spanish: Yellow honeydew 10 kilos 5/14s 2.40-2.80. Onions—Spanish 3.50-4.80; Dutch 3.60. Tomatoes—Jersey. Per tray 1.20-1.40. [illegible] 1.50-1.60. Dutch 1.50-1.60. Cabbages—Dutch White, net 3.40. Potatoes—Cyprus: 1.80. Peaches—Italian: 1½-trays Cs 2.00-2.20, Bs 2.60-2.80, As 2.80-3.00, AAs 3.00-3.20. English produce: Potatoes—New crop per bag 2.00-2.20. Lettuces—Per 12 round 1.50-1.80, Cos 1.80. Mushrooms—Per pound 0.60-0.70. Apples—Per pound Bramley 0.08-0.10, Grenadiers 0.04-0.06, Howgates 0.05-0.08, George Cave 0.06, Discovery 0.06-0.10, Millers 0.06, Worcester Pearmain 0.08. Plums—Per pound Czars/Rivers 0.05, Belles 0.10, Victorias 0.12-0.14. Blackberries—Per ½lb 0.15-0.20. Tomatoes—Per pound 1.20-1.40. Cucumbers—Trays 8/18s 1.60-1.80. Cauliflowers—12s Lincoln 2.50-3.50. Celery—Boxes, naked 15/24s 1.40-1.60, cartons 18/24s 2.40. Peas—Per pound 0.12. Onions—Per bag 3.40-3.60. Carrots—Per bag 0.70-1.10. Beetroot—Per bag 0.80. Capsicums—Per pound 0.30. Swedes/Turnips—Per 25/28lb 1.00. Stick Beans—Per pound 0.14-0.12. Runner Beans—Per pound 0.10-0.12.

AMERICAN MARKETS

NEW YORK, August 30

THE GRAIN markets were primarily featureless with soyabeans closing lower on long liquidation while wheat and corn were basically unchanged on lack of interest. The livestock markets opened at limit up with cattle and hogs closing off limit, but sharply higher on short-covering. Pork bellies remained at limit up throughout the day. Precious metals were sharply higher with silver closing limit up on weakness in the dollar and continued world inflationary fears. Copper attracted buying interest in sympathy with the strength in the precious metals. Sugar and cotton rallied sharply on fears of hurricane David affecting production and product movement. Coffee was higher on good Commission House buying interest. Cocoa closed lower on the day on producer selling pressure, Heinold reported.

Copper—Sept. 91.20 (90.60), Oct. 92.20 (91.30), Dec. 93.35, Jan. 93.45, March 94.00, May 94.30, July 94.30, Sept. 94.30, Dec. 94.30, Jan. 94.30, March 94.30, May 94.30, July 94.30.

Potatoes (round whites)—Nov. 63.9 (63.7), March 85.2 (85.0), April 107.5, May 125.5. Sales, 747.

¶Silver—Sept. 1058.5 (1028.5), Oct. 1066.8 (1036.8), Dec. 1073.5, Jan. 1081.3, March 1097.0, May 1110.3, July 1123.5, Sept. 1136.5, Dec. 1153.5, Jan. 1158.6, March 1171.5, May 1183.3, July 1184.8. Handy and Harman bullion spot 1040.00 (1012.00).

Tin—689.00-720.00 (693.00-715.00).

CHICAGO, August 30

Lard—Chicago loose 26.75 (same). New York prime steam not available.

‡‡Maize—Sept. 287¼-286¾ (284½). Dec. 287¾-286¼ (286½). March 297¾-297½. May 303-302¾. July 306¾. Sept. 307⅞.

Plywood—Sept. 204.5-206.0 (205.0), Nov. 199.0 (196.9), Jan. 196.0-197.0, March 198.0-199.0, May 199.0, July 201.0, Sept. 201.0, Nov. 199.0.

Shell Eggs—Sept. 56.55 (57.10), Oct. 57.45 (57.45), Nov. 61.00, Dec. 62.30, Jan. 60.80. Sales: 69.

Silver—Sept. 1041.1 (1021.1), Oct. 1050.0 (1030.0), Nov. 1060.0, Dec. 1069.5, Feb. 1086.2, April 1099.5, June 1112.8, Aug. 1125.5, Oct. 1138.5, Dec. 1151.5, Feb. 1164.6, April 1177.0, June 1189.0, Aug. 1201.0, Oct. 1214.0, Dec. 1231.7, Feb. 1245.0, April 1252.0, June 1266.0, Aug. 1280.0.

‡Soyabeans—Sept. 726-725 (730½), Nov. 725½-724 (730¾), Jan. 738-737, March 751-751½, May 760-761, July 767, Aug. 765½, Sept. 758.

||Soyabean Meal—Sept. 191.70-191.50 (191.90), Oct. 192.50-192.30 (192.60), Dec. 195.60-195.30, Jan. 197.50, March 201.60, May 204.50-204.40, July 207.00, Aug. 208.20-208.50, Sept. 208.50-209.00.

Soyabean Oil—Sept. 29.40-29.50 (29.35), Oct. 28.25-28.35 (28.42), Dec. 27.20-27.25, Jan. 26.80-26.90, March 26.70, May 26.60-26.65, July 26.55, Aug. 26.45, Sept. 26.25.

‡Wheat—Sept. 446-448½ (444), Dec. 459-459½ (454¼), March 469-469½, May 469-468½, July 449-445, Sept. 454.

WINNIPEG, August 30. §Barley—Oct. 108.00 (108.00), Dec. 108.30 (108.40), March 107.30, May 108.20, July 105.80.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 237.25 (238.55).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. ‡ Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. † Cents per dozen.

Wednesday's closing prices

NEW YORK, August 29.

Cotton—No. 2. Oct. 65.50-65.60 (65.50). Dec. 66.70-66.80 (66.34). March 68.01-68.05. May 69.20. July 70.10-70.15. Oct. 68.50-68.95. Dec. 69.25-68.40. Jan untraded. Sales, 8,050.

*Gold—Sept. 316.80 (317.50). Oct. 319.40 (320.20). Dec. 326.00. Feb. 332.20. April 339.30. June 344.20. Aug. 349.90. Oct. 355.60. Dec. 361.30. Feb. 366.90. April 372.20. June 377.50. Sales 19,000.

Coffee—"C" Contract. Sept. 217.86 (217.29). Dec. 206.57 (205.97). March 197.43. May 196.30. July 192.56. Sept. 191.94. Dec. 191.00. Sales, 2,200.

EUROPEAN MARKETS

ROTTERDAM, August 30.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Sept. $206, Oct. $207, Nov. $209, Dec. $211, Jan. $214, Feb. $216, March $218. U.S. Hard Winter Ordinary unquoted. U.S. No. 2 Red Winter Sept. $194, Oct. $200, Nov. $203. U.S. No. 2 Northern Spring 14 per cent, Aug.-Sept. $201, Oct. $203, Nov. $204, Dec. $213, Jan. $221, Feb. $222, March $223, April-May $205.

Maize—U.S. No. 3 Corn Yellow afloat $139, Sept. $138, Oct. $140.50, Nov. $141.25, Dec. $145, Jan.-March $150.50, April-June $152.

Soyameal—U.S. afloat $236.50, Oct. $240 traded, afloat $237, Sept. $236, Oct. $241, Nov.-March $248, April-Sept. $256 sellers. Brazil Pellets afloat $237, Sept. $244, Oct. $252, Nov. $258, April-Sept. $260.50.

PARIS, August 30

Cocoa (FFr per 100 kilos)—Sept. 1285-75, Dec. 1319-20, March 1340-70, May 1350, July 1360, Sept. 1365. Sales at call nil.

INDICES

FINANCIAL TIMES

Aug. 29	Aug. 28	M'nth ago	Year ago
289.11	286.28	279.70	246.83

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	Aug 29	Aug. 28	Month ago	Year ago
Spot	402.75	403.21	398.62	374.71
F'tur's	413.58	412.60	406.68	370.30

(Average 1924-25-26=100)

MOODY'S

Aug. 29	Aug. 28	M'nth ago	Year ago
1101.9	1097.2	1060.8	935.9

(December 31, 1931=100)

REUTERS

Aug. 30	Aug. 29	M'nth ago	Year ago
1583.3	1580.3	1537.7	1461.2

(Base September 18, 1931=100)

Equities unaffected by gloomy NIESR review but Gilts nervous about banking statistics—Golds strong again

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Aug. 13	Aug. 23	Aug. 24	Sep. 3
Aug. 28	Sep. 6	Sep. 7	Sep. 17
Sep. 10	Sep. 20	Sep. 21	Oct. 1

* "New time" dealings may take place from 9.30 am two business days earlier.

The depressing review from the National Institute of Economic and Social Research, which echoed the findings of other recent forecasting groups, had little effect in the equity sector yesterday but undermined sentiment in the market for Government stocks. The latter also had to contend with a pause in overseas interest, aroused earlier in the week by the firmness of the pound, and by nervousness about next Tuesday's banking sector's eligible liabilities.

Leading shares were occasionally softer at the opening but renewed small investment demand emerged which impinged on a market still basically short of selected stocks. Values soon began to edge forward again and sentiment later was underpinned by unexpectedly cheerful statements from **Plessey** and **Blue Circle.**

Stores were less sensitive to fears of a High Street price-war developing following Marks and Spencer's price-cutting scheme, announced on Wednesday, while Press comment and bid speculation led to pockets of activity in some secondary issues. Overall trade, however, was little better than on Tuesday or Wednesday, although total bargains yesterday improved fractionally to 13,768. The FT 30-share index, after being 0.5 easier at the first calculation, closed 3.2 up at the day's best of 469.5.

Comment about next Tuesday's banking statistics unsettled some holders of British Funds and the resulting sales tended to weigh on a market experiencing a reduced offtake, partially because of NIESR's gloomy economic predictions. The larger part of the day's trade was directed at the shorter maturities where losses stretched to ⅜, although several high-coupon longs showed falls slightly in excess of that amount.

South African Gold shares turned prominently firmer again with the marginal producers of the metal being especially strong on the record bullion price. Most of the buying came from London sources and brought rises extending to 50p in some medium-priced stocks; the result was that the FT Gold Mines index rose 6.2 more to 197.2.

A modest and evenly matched trade, much of which was again connected with the continuing activity in South African Gold shares, made little impression on rates for investment currency and the premium closed unchanged at 28¼ per cent. Yesterday's SE conversion factor was 0.9023 (0.8993).

A slightly increased business in Traded options resulted in a total of 256 contracts being completed against Wednesday's 181. **ICI** accounted for almost half the activity with 113 trades, while **Commercial Union** attracted 48 trades.

Stewart Wrightson became a dull feature in Insurances, falling 12 to 188p following the disappointing interim results. Other Lloyds brokers eased in sympathy and **C. T. Browning,** 116p, **C. E. Heath,** 190p, and **Willis Faber,** 218p, all closed a couple of pence lower. **Pearl,** however, gained 8 afresh to 258p on further consideration of the half-yearly figures among life issues where **Equity and Law** improved 4 to 186p. Composites made modest progress. **Edinburgh and General** improved 2 further to 37p. **Sun Alliance** put on 8 to 552p ahead of next Wednesday's interim statement.

The major clearing banks took a distinct turn for the better. The re-appearance of buyers helped **Lloyds** lead the advance with a gain of 12 to 297p, while **NatWest** put on 10 to 330p. **Barclays,** 426p, and **Midland,** 348p, added 8 apiece. *Bank of Scotland* appreciated 5 to 285p and **National and Commercial** hardened 2 to 83p, after 84p. Irish issues, however, moved lower with **Bank of Ireland** friendless at 318p, down 12. Hire Purchases continued quietly firm with **Wagon Finance** edging forward a penny to 44p awaiting today's interim results.

Breweries and kindred issues tended quietly firm, the leaders closing a penny or so above the overnight levels. Good institutional support was again evident for **Distillers,** 3 better at 230p, while **Arthur Bell** were also wanted and ended 4 up at 178p. Rumours that **Amalgamated Distilled Products,** a penny better at 61p, are interested in recently troubled **Belhaven Brewery** lifted the latter 2 to 42p, while the chairman's denial of any bid activity failed to suppress speculative interest in **Davenports,** slightly firmer at 110p, a two-day gain of 10.

Blue Circle featured Building descriptions with a rise of 14 to 278p, after 280p, following the better-than-expected half-yearly profits and dividend. **BPB,** at 155p, and **Tunnel B,** at 300p, improved 5 and 8 respectively in sympathy. Consideration of the rights issue proposal and the link with Energy Finance and General Trust lifted **Benlox** 6 for a two-day gain of 9 to 34p. Although thinly traded, Contracting and Construction issues made useful progress with **Tilbury** and **Wilson (Connolly)** adding 4 apiece to 316p and 184p respectively, while **Newarthill** advanced 10 more to 208p, the last-named in a limited market. Renewed speculative interest prompted a gain of 7 to 94p in **William Whittingham** and lifted **Royco** 3 to 52p. Builders' merchants **Sharpe and Fisher** hardened a penny to 48p, after 49p, in response to the higher interim profits and the board's confident statement. **Magnet and Southerns** found support and rose 5 to 220p while **Phoenix** put on 3 to 145p, but **Parker** held at 196p awaiting today's annual results.

Quietly firm conditions prevailed among leading Chemicals with **ICI** adding 3 to 366p, a gain of 26 since the interim figures were announced just over a week ago. Elsewhere, **Scottish Agricultural Industries** put on 10 to 188p in a thin market on the good interim performance and **Plysu** firmed 3 to 79p, after 80p, on speculative buying.

Dewhirst dull

Leading Stores regained some composure after Wednesday's sharp falls which followed Marks and Spencer's price-cutting move. Fears that this action would lead to a price "war" subsided although Marks and Spencer remained an uncertain market at 107p, down a further penny, while **British Home** ended a like amount off for a two-day relapse of 16 to 247p. **I. J. Dewhirst,** an exclusive supplier to M. and S., came on offer and closed 5 down at 87p. **Burton A** moved up 4 to 256p as did **Mothercare,** to 176p, and **Combined English** picked up 2 to 57p.

Press comment highlighting bid possibilities led to a fresh speculative improvement of 7 to 242p in **Stylo Shoes.**

Helped by rationalisation of its loss-making subsidiaries, **Plessey** improved 7 to 124p following first quarter profits much in line with general expectations. Elsewhere among the leaders, **GEC** added 4 to 384p, but **EMI** cheapened a fraction to 93p. **Muirhead** advanced 8 to 254p, while **Electrocomponents,** 455p, and **Eurotherm,** 320p, added 5 apiece. Revived takeover rumours lifted **M. K. Electric** 9 to 232p, while **Lec Refrigeration** reported reduced interim profits, and the shares, up to 60p ahead of the announcement, closed unchanged at 58p.

Engineerings plotted an irregular course in moderate trading. **Jones and Shipman** remained on offer at 170p, down a further 10, while **Startrite** cheapened 7 to 123p and **A. Cohen** 5 to 250p. **Chemring,** however, put on 6 to 90p and **George Whitehouse** advanced 5 to 180p.

Associated Dairies slipped to 252p on consideration of the annual results before a late rally left the price just 3 cheaper on balance at 260p. Up 10 on Wednesday in response to the excellent interim results, **Nurdin and Peacock** eased 2 to 124p, after 122p, on profit-taking. By contrast, buying ahead of Monday's annual results lifted **Linfood** 6 to 172p, while **Unigate** firmed 3 to 102p following publication of the annual report. Elsewhere, **Associated Fisheries** improved 2 to a 1979 peak of 49p, while speculative counters **George Bassett** and **Carr's Milling** added 4 apiece to 110p and 86p respectively. **Somportex** responded to the higher annual profits with an improvement of 2 to 100p.

Consideration of the previous day's interim profits and confident statement encouraged demand for **Ladbroke** which firmed 6 to 180p; the warrants improved 4 to 100p. A further speculative flurry prompted a gain of 7 to 94p in **Savoy A;** the B shares advanced 75p to 750p in a nominal market.

Huntleigh easier

Still concerned about the disappearance of company director Rolf Schild in Sardinia, **Huntleigh** were nervously sold down to 68p, for a fall of 9. Elsewhere in miscellaneous Industrials, news that a large shareholding in **Waterford Glass** had been placed with various institutions at around 27p per share left the latter a penny easier at that price. **Letraset** came in for some good support and closed 6 higher at 126p and the new nil-paid 5 dearer at 17p premium, while **ICL** rose 8 to 490p, after 493p, on revived investment support. **Scottish Heritable** put on 4 to 53p and **Pauls and Whites** 5 to 143p, while similar improvements were seen in **Cawoods,** 232p, **Grimshawe,** 72p, **Holt Lloyd International,** 215p, and **Ofrex,** 132p. **Provincial Laundries** hardened 2 to 47½p and the 12 per cent Convertible '86-88 jumped *20 points to £430 on bid hopes,* while **National Carbonising** continued firmly at 79p, up 2. A gloomy NIESR had already been discounted and so most of the leaders edged tentatively forward. **Boots** *hardened 2 to 191p* at did **Glaxo,** to 445p, while **Pilkington** firmed 5 to 310p.

A dull market of late, **Rolls-Royce** rallied 4 to 72p on buying spurred by recovery prospects. **ERF** added 2 to 97p. Distributors were selectively higher, **Henlys,** 105p, **Kennings,** 65½p, and **Godfrey Davis,** 90p, all gaining around 2. Among idle Components, reduced profits barely affected **Brown Brothers,** a fraction easier at 25p.

Interest in Properties was confined to selected secondary issues. **Bernard Sunley** rose 13 to 478p on speculation about the pending bid from Eagle Star, while **Clark Nickolls** also put on 13, to 125p, the latter on increased demand in a market none-too-well supplied with stock. Fresh speculative interest lifted **Westminster and Country** 1½ to 30½p, while **Warner Estates** improved 4 to 218p and **Samuel** hardened 2 to 122p.

Increased speculative interest prompted useful improvements in selected Oil shares. **Burmah** featured with a gain of 7 to a 1979 peak of 154p, while **Oil Exploration** put on 14 to 362p and **Lasmo** advanced 16 to 272p with the **OPS** 20 to the good at 755p. **Ultramar** improved 4 to 326p and **Attock** 6 to 170p, while **Aran** gained 5 more to 170p.

In Financials, **Britannia Arrow** reported the expected return to first-half profits and, following the company's indications of a final dividend payment, the shares ended a fraction better at 22½p.

In firm Tobaccos, **Bats** issues improved 3 apiece, the Ordinary to 285p, and the Deferred to 281p, while **Imperial** met with good support and closed 2 harder at 94p.

Golds surge ahead

Mining markets enjoyed a day of sharp rises and heavy turnover following further strong gains in precious metals and an upsurge in base-metal prices.

After Wednesday's pause for breath, South African Golds resumed their recent advance as the bullion price touched an all-time peak of $319.875 an ounce before ending $3.25 up at a record closing high of $319.375.

The Gold Mines index climbed 6.2 to 197.2 while the ex-premium index, 6.1 up at 177.9, reached its best level since September 16, 1975.

Share prices opened firmer, reflecting overnight American support, and made further good progress throughout the day with sizeable and persistent London buying far outweighing overseas *profit-taking.*

Interest was again centred on the medium and lower-priced stocks where **Kloof** rose 53 to 832p, **Durban Deep** 49 to 617p, **Doornfontein** 39 to 365p, **Loraine** 11 to 110p and **Bracken** and **Marievale** 8 apiece to the common price of 117p.

South African Financials were overshadowed by Golds but **Johnnies** put on ¾ to £18¾ on further consideration of the sharply increased final dividend and **De Beers** gained 4 to 384p still reflecting the 13 per cent increase in diamond prices.

London-based Financials were boosted by the buoyancy of base-metals. **Selection Trust** added 18 to 544p, **Rio Tinto-Zinc** 8 to 310p and **Charter** 4 to 140p. South African base-metal issues showed **Messina** and **Vogels** around 7 higher at 84p and 87p respectively.

Australians surged ahead influenced by the sharply higher earnings and dividends announced by **North Broken Hill** and **MIM Holdings.** The former rose 13 to 127p, after 128p, and the latter 11 to 218p.

Bougainville, 128p, **BH South,** 121p, **Pacific Copper,** 117p, and **Paringa,** 32½p, all closed around 5 higher. Coal producer **Oakbridge** gained 7 more to 102p, while the more speculative issues showed **Eagle Corporation** another 3 up at a 1979 high of 17½p, a two-day rise of 8.

Elsewhere **Consolidated Murchison** put on a further 25 to 325p following renewed London and Johannesburg buying.

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 20	Aug. 31	Nov. 15	Nov. 26
Sep. 3	Sep. 14	Nov. 29	Dec. 10
Sep. 17	Sep. 28	Dec. 20	Jan. 7

For rate indications see end of Share Information Service.

Money was given for the call in Town and City, Ladbroke Warrants, Hestair, Attock Petroleum, Mining Supplies, Trusthouse Forte, Spillers, Black Arrow, Shell Transport, Duple, Messina, GEC, Style and Inveresk. A put was done in Amber Day, while doubles were arranged in BSR, Averys, English and Overseas, Oxley Printing and Avana.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	1200	28	11	70	—	95	—	1150p
BP	1300	6	2	40	—	60	1	"
Com. Union	130	15	38	20	—	26	—	138p
Com. Union	140	8	—	14	5	30	—	"
Com. Union	160	1	5	2½	—	—	—	"
Cons. Gold	240	11	4	21	—	27	3	254p
Cons. Gold	280	3	5	7	—	—	—	"
Courtaulds	90	5½	5	7½	—	12	—	90p
GEC	420	5½	2	28	—	39	—	384p
ICI	330	35	—	38	50	44	—	365p
ICI	360	9	10	17	65	25	—	"
ICI	390	2	5	7	—	—	—	"
Land Secs.	280	23	2	37	8	48	—	298p
Shell	325	14	4	30	5	—	—	331p
Shell	350	7	—	18	1	—	—	"
Shell	375	3	1	10	—	—	—	"
Totals			94		121		2	
		November		February		May		
EMI	100	7	8	12	—	15	—	94p
RTZ	300	27	11	40	—	53	—	308p
RTZ	330	14	10	25	—	—	—	"
RTZ	360	6	10	—	—	—	—	"
Totals			39					

FINANCIAL TIMES STOCK INDICES

	Aug. 30	Aug. 29	Aug. 28	Aug. 24	Aug. 23	Aug. 22	A year ago
Government Secs.	73.35	73.64	73.43	73.45	73.64	73.57	70.1
Fixed Interest	74.47	74.53	74.69	74.67	74.64	74.66	72.1
Industrial	469.5	466.3	464.8	465.0	463.1	465.7	498.
Gold Mines	197.2	191.0	192.3	186.7	179.9	180.8	183.
Gold Mines (Ex-$ pm)	177.9	171.9	173.6	167.4	161.5	162.4	139.
Ord. Div. Yield	6.95	7.00	7.03	7.02	7.04	7.01	5.3
Earnings, Yld. % (full)	17.28	17.41	17.50	17.47	17.53	17.54	15.9
P/E Ratio (net) (*)	7.28	7.23	7.13	7.20	7.18	7.18	8.2
Total bargains	13,768	13,512	13,087	15,443	14,242	13,667	—
Equity turnover £m	—	62.78	47.63	67.37	68.82	53.76	82.9
Equity bargains total	—	9,798	9,411	11,598	11,224	9,556	15,784

10 am 465.8. 11 am 466.6. Noon 467.4. 1 pm 468.1.
2 pm 469.0. 3 pm 469.3.
Latest Index 01-246 8026.
* Nil=7.00.

Base 100 Govt Secs. 15/10/26. Fixed Int 1928. Industrial Ord. 1/7/35. Gold Mines 2/9/55. Ex-$ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.81 (4/5)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	66.03 (13/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	446.1 (12/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	208.4 (6/6)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines Ex $pm	177.9 (30/8)	95.2 (2/11)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	Aug. 30	Aug. 29
—Daily		
Gilt Edged	115.8	121.0
Industrials	118.2	109.9
Speculative	36.9	38.1
Totals	[illegible]	74.5
5-d'y Av'r'ge		
Gilt Edged	116.8	113.8
Industrials	114.7	111.9
Speculative	32.6	29.6
Totals	76.6	[illegible]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
ICI	£1	10	366	+3	415	314
Shell Transport	25p	9	332	+4	402	278
Assoc. Dairies	25p	8	260	−3	306	189
BAT Inds.	25p	8	285	+3	362	255
Barclays Bank	£1	8	426	+8	514	360
BP	£1	8	1150	+5	1295	882
Burmah Oil	£1	8	154	+7	154	82
GEC	25p	7	384	+4	456	311
RTZ	25p	7	310	+8	362	226
Distillers	50p	6	230	+3	259	198
HK & Shanghai Banking	$HK2.50	6	134	−1	205	118
Letraset "New"	Nil/pd.	6	17pm	+5	17pm	10pm
Royal Insurance	25p	6	345	+3	443	320
Wassall (J. W.)	5p	6	25	+1	25	10
Plessey	50p	5	124	+7	124	101

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	1	74	11
Corpns. Dom. and Bonds	5	6	52
Industrials	286	141	871
Financial and Prop.	95	57	360
Oils	20	1	18
Plantations	8	2	18
Mines	85	12	49
Others	36	54	57
Totals	546	343	1,536

APPOINTMENTS

Chief executive for Lowndes Lambert

Mr. Richard Shaw, joint deputy chairman of C. E. HEATH AND COMPANY, has been appointed chief executive responsible for Lowndes Lambert, the Hill Samuel insurance broking operation. He is also to join the HILL SAMUEL GROUP Board.

★

Mr. R. L. Peat has been appointed managing director of WALLACE BROTHERS COMMODITIES, the futures brokers acquired by Brooke Bond Liebig last year. He joined Wallace Brothers Commodities in 1971 and became a director two years later.

★

GUINNESS MAHON AND CO. has appointed Mr. A. A. Rushton as a director.

★

Mr. John W. Guilfoyle has been elected a senior vice-president of INTERNATIONAL TELEPHONE AND TELEGRAPH CORPN. He is also president of ITT Europe, Inc. Mr. Guilfoyle, based in Brussels, has been in charge of ITT operations in Africa and the Middle East since October, 1977. Previously he served as group executive—Latin America for a period of nine years. Mr. Daniel P. Weadock has been elected a vice-president of ITT. He is group executive of ITT Africa and the Middle East. Prior to being named group executive for ITT-AME, Mr. Weadock was director of operations for the group.

★

After Mr. James Beattie's retirement on September 30 as managing director of JAMES BEATTIE (he remains as part-time executive chairman) the following appointments are effective from October 1: Mr. S. R. A. Wyeth is made managing director; Mr. C. M. S. Jones becomes group merchandise manager; Miss H. J. Bale becomes assistant group merchandise manager; and Mr. P. B. Pickard joins the existing team of group merchandise controllers. Mrs. B. G. Marshall, group controller — management selection and training, who has been with the company for 33 years, also retires on September 30. She is replaced by Miss S. M. Aston.

★

Mr. Malcolm J. Macpherson, has been appointed director of finance of BOWATER INDUSTRIAL PACKAGING. Mr. Macpherson returns to the UK after three years with the Bowater export division in the Middle East.

★

MORGAN GUARANTY TRUST COMPANY, New York, has appointed Mr. Theo Röell as a vice-president. Mr. Röell, who has been co-manager of the Leaseco operation at Bank Morgan Labouchere in Amsterdam, is moving to New York, where he will head the Netherlands desk in the international banking division at Morgan Guaranty's head office.

★

BRITISH AEROSPACE AIRCRAFT GROUP has made the following appointments: Mr. J. L. Glasscock has become group commercial director. Mr. G. W. Carr has been appointed group administration director and Mr. N. V. Barber has been made divisional managing director, Manchester. Mr. L. W. Milsom has been elected divisional director and general manager, Brough, and Mr. A. F. Smith is appointed group executive director (commercial).

★

Two senior staff members have been appointed additional directors of EDBRO, Bolton, manufacturer of tipping hoists and ancillary hydraulic equipment for trucks. They are general works manager Mr. Geoffrey M. Lockyer, who becomes production director, and manufacturing manager Mr. David Taylor, who is appointed manufacturing director.

★

Mr. Nazem El Khoury has been appointed general manager of REED STENHOUSE MIDDLE EAST S.A.R.L., a new company in the Lebanon in which A. R. Stenhouse Reed Shaw and Partners has a 45 per cent interest.

★

Mr. K. E. M. Wallace a former member of the Clarklift sales management team rejoins as director general manager for Clarklift Midlands. He was depot manager with Harvey Plant at Avonmouth, and previously was ten years with Clark Industrial Truck Division.

★

Mr. Andreas Gembler has been appointed president of SEVEN-UP INTERNATIONAL, effective November 1. He was previously vice-president of Seven-Up Europe. Mr. Charles B. Thies, currently president of Seven-Up International, has decided to resign following the relocation of Seven-Up International from St. Louis, Missouri, to Philip Morris Incorporated headquarters in New York. Mr. Thies will work closely with Mr. Gembler in the transfer of the international function of Seven-Up to New York.

★

Mr. D. H. Edwards becomes technical director and Mr. T. Young has been appointed contracts director of KELVIN CONSTRUCTION COMPANY, Glasgow, a Hawker Siddeley company.

FOOD PRICE MOVEMENTS

	August 30 £	Week ago £	Month ago £
BACON†			
Danish A.1 per ton	1,180	1,180	1,180
British A.1 per ton	1,140	1,140	1,140
Ulster A.1 per ton	1,140	1,140	1,140
BUTTER†			
NZ per 10 kg	13.20/13.37	13.20/13.37	13.20/13.37
English per 10 kg	16.87	—	16.78
Danish salted per 10 kg	17.55/17.66	17.55/17.66	17.15/17.69
CHEESE‡			
English cheddar	1,501.70	1,450/1,510	1,409
Irish cheddar	—	—	1,330/1,350
Danish cheddar	1,385	1,340	—
EGGS*			
Home produced:			
Size 4	—	3.20/3.40	3.20/3.30
Size 2	—	3.90/4.00	3.80/3.90
	August 30 p	**Week ago p**	**Month ago p**
BEEF			
Scottish killed sides ex-KKCF	62.0/66.0	62.0/66.0	62.0/67.0
Eire forequarters	42.0/44.0	42.0/44.0	39.0/41.0
LAMB			
English	56.0/62.0	56.0/60.0	56.0/60.0
NZ PLs/PMs	47.5/49.5	48.0/49.5	48.0/50.0
PORK			
All weights	35.0/45.0	35.0/44.0	34.0/43.0
POULTRY			
Oven-ready chickens	40.0/44.0	41.0/44.0	40.0/44.0

* London Egg Exchange price per 120 eggs. † Delivered. ‡ 20-kg rindless blocks, delivered, per tonne.

NEW HIGHS AND LOWS FOR 1979

NEW HIGHS (38)

CANADIANS (1)
Hawker Siddeley Can.
BUILDINGS (4)
Bulmer (H. P.)
Clark (Matthew)
ELECTRICALS (3)
Benlox
Finlan (J.)
Gleeson (M. J.)
Magnet and Southerns
FOODS (2)
Automated Security
Farnell Electronics
Plessey
INDUSTRIALS (9)
Assoc. Fisheries
Unigate
INSURANCE (1)
Case Inds
Diploma
Holt Lloyd Intnl.
Howard Tenens
Prov. Laundries Do 12pc Conv. 1986-88
Renwick
Scottish Heritable
Utd. Carriers
PROPERTY (1)
Edinburgh and General
Property Partnerships
SHIPPINGS (2)
Lyle Shipping
Milford Docks
SHOES (1)
Oliver (G.) A
TEXTILES (1)
Shaw Carpets
TRUSTS (2)
Utd. Capitals
Park Place
OILS (4)
AranEnergy
Attock
Burmah Oil
Ultramar
OVERSEAS TRADERS (1)
Tozer Kemsley
MINES (4)
Bracken
Winkelhaak
Eagle Corpn.
Paringa

NEW LOWS (7)

AMERICANS (1)
Singer
ELECTRICALS (1)
Cableform
ENGINEERING (2)
Christy Bros.
Wadkin
INDUSTRIALS (3)
Dykes (J.)
Hestair
Negretti and Zambra

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p:	+ or −	Div. p: or Amount	Times Covered	Gross Yield	P.E. Ratio
¶¶	F.P.	24/8	75	60	Arrow Chemicals	70	...	b2.0	2.8	4.1	16.1
¶¶	F.P.	—	88½	80	Barlow Hldgs	83	...	T2.6	1.1	4.5	28.9
80½	F.P.	27/7	105½	95½	Fairline Boats	102	...	b5.2	2.5	7.3	7.3
160	F.P.	5/9	190	185	Mercantile House	188	...	10.72	2.3	8.1	7.7
**	F.P.	10/8	37	26	Mettoy Dfd.	34	...	—	—	—	—
¶¶	F.P.	—	37	30	St. George Assets 10p	34	...	bd1.0	1.6	4.2	20.2
160	F.P.	6/8	216	192	Standard Tel. & Cables	216	+2	b8.0	2.1	5.3	13.0

FIXED INTEREST STOCKS

Issue Price £	Amount paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
¶91	F.P.	21/9	87	85	Aurora 8¼ Conv. Cum. Pref.	85	....
**	F.P.	21/9	104p	101p	Bradford Prop. 10½% Cum. Pref	104p	...
100	F.P.	20/7	101¼	92	English & Overseas Inv. Conv.	94	+1
¶96½	£10	29/11	12¼	8¾	Essex Water 8% Red Pref. 1984	11¼	...
¶¶	F.P.	—	73½	70	Lonrho 9% 2nd Mort. Deb. 87/92	70xd	...
¶¶	F.P.	—	90½	86	Do. 12⅝% 2nd Mort. Deb. 85-90	86xd	...
¶¶	F.P.	—	99	93	Do. 12⅞% 2nd Mort. Deb. 80-83	93xd	..
97	F.P.	24/8	99¼	97¾	Scot. Agricultural Sec. 13% Deb. 97-99	99	−¼
100p	—	7/9	105p	100p	Stonehill 10½% Cum. Prf	105p	+1
¶98	F.P.	24/8	101½	100½	Sund. & S. Shields Water 8% 1986	101	...
¶98	F.P.	18/10	101¾	98½	Wrexham Water 8% 1984	101¼	...

"RIGHTS" OFFERS

Issue Price p:	Amount paid up	Latest Renunc. Date		1979 High	1979 Low	Stock	Closing price p:	+ or −
14	F.P.	23/8	21/9	19	17	Abwood Machine Tools	17½	.....
25	F.P.	24/8	14/9	86	65	Bank & Commercial	85	+6
110	Nil	4/9	19/10	20pm	17pm	Bank Leumi	17pm	...
A$3	Nil	—	—	60pm	37pm	Bank of New South Wales	56pm	−2
21	Nil	—	—	5pm	3½pm	Dares Estates	4½pm	−½
60	F.P.	3/8	7/9	82	77	Goldberg (A)	81	
115	F.P.	20/8	21/9	138	124	Hay's Wharf	138	+6
10	F.P.	5/7	7/9	118	107	Intl. Timber	118	...
30	F.P.	—	—	42	36	Lennons	42pm	
110	Nil	5/9	26/9	17pm	10pm	Letraset	17pm	+5
5	Nil	29/8	18/9	9½pm	3pm	London Inv. Trust	9½pm	+½
115	Nil	—	—	18pm	15½pm	Macarthys Pharm.	18pm	+2½
145	Nil	13/9	19/10	53pm	42pm	Unitech	52pm	−1
10	Nil	5/9	17/10	2pm	1pm	Yorkgreen Invs.	2pm	...

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. *pt* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ [illegible] comprising 2 Income shares and 10 Capital shares at 125p per unit.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Thurs., Aug. 30, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed., Aug. 29 Index No.	Tues., Aug. 28 Index No.	Fri., Aug. 24 Index No.	Thurs., Aug. 23 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	244.48	+0.8	17.68	5.84	7.27	242.57	242.87	242.76	242.03	240.18
2	Building Materials (27)	228.46	+1.5	18.06	5.84	7.21	225.09	224.73	225.68	225.35	215.27
3	Contracting, Construction (28)	376.44	+0.6	24.32	5.75	5.13	374.22	371.73	369.85	369.08	395.87
4	Electricals (15)	622.81	+1.4	13.15	3.73	10.18	614.23	613.13	616.20	613.21	523.59
5	Engineering Contractors (12)	352.03	+0.1	20.66	6.87	6.09	351.79	352.37	351.54	350.48	350.11
6	Mechanical Engineering (74)	172.01	+0.1	19.45	6.78	6.54	171.84	171.57	171.97	171.94	192.29
8	Metals and Metal-Forming (16)	162.01	—	19.31	9.24	6.44	162.05	161.58	162.25	161.12	174.15
	CONSUMER GOODS										
11	(DURABLE) (52)	237.42	+0.3	15.51	4.92	8.09	236.83	236.05	235.79	234.87	214.86
12	Lt. Electronics, Radio, TV (16)	336.86	+0.1	12.05	3.75	10.71	336.38	335.01	334.38	333.59	263.14
13	Household Goods (13)	146.06	+0.3	19.89	7.48	6.16	145.67	145.81	146.84	146.23	178.70
14	Motors and Distributors (23)	113.06	+0.5	23.49	7.36	5.17	113.26	113.02	112.89	112.01	130.00
	CONSUMER GOODS										
21	(NON-DURABLE) (171)	236.03	+0.5	16.54	6.00	7.52	235.75	235.23	235.03	234.09	214.94
22	Breweries (14)	290.15	+0.6	15.63	5.27	7.63	288.39	284.99	284.46	283.31	230.39
23	Wines and Spirits (6)	322.58	+1.3	17.01	5.57	7.31	318.47	313.93	311.34	309.16	275.03
24	Entertainment, Catering (17)	307.24	+1.3	16.12	6.62	8.13	303.43	297.81	299.03	298.46	263.35
25	Food Manufacturing (19)	207.21	+0.2	19.05	6.44	6.53	206.86	205.76	204.95	205.15	210.07
26	Food Retailing (15)	308.45	+0.4	11.99	4.14	9.95	307.36	306.90	306.68	307.45	220.38
32	Newspapers, Publishing (12)	418.01	+0.1	22.63	6.96	6.20	417.76	412.91	414.24	413.87	392.76
33	Packaging and Paper (15)	127.86	+0.7	22.99	8.72	5.63	126.95	126.92	126.81	126.63	146.97
34	Stores (41)	238.01	−0.1	12.41	4.38	10.56	238.19	240.50	240.51	238.26	203.37
35	Textiles (23)	155.76	−0.1	23.44	9.89	5.40	155.90	155.97	156.16	155.59	177.95
36	Tobaccos (3)	244.45	+1.5	23.32	9.10	4.84	240.91	239.92	239.82	239.24	252.59
37	Toys and Games (6)	73.46	−0.5	23.53	9.17	5.40	73.82	75.03	75.83	77.07	116.42
41	OTHER GROUPS (99)	205.24	+0.3	15.52	6.13	7.93	204.68	204.10	203.95	202.53	209.56
42	Chemicals (18)	291.46	+0.7	17.41	6.63	6.70	289.44	287.70	288.68	283.27	295.33
43	Pharmaceutical Products (7)	229.34	−0.2	12.20	4.78	10.02	229.83	229.61	228.59	228.75	274.94
44	Office Equipment (6)	117.22	+0.3	17.04	7.16	7.33	116.82	116.60	117.03	117.41	142.15
45	Shipping (10)	447.55	+0.2	10.50	6.70	12.75	446.62	447.29	442.87	442.25	412.72
46	Miscellaneous (58)	241.24	+0.1	16.12	6.07	8.00	240.90	240.47	240.05	239.31	222.46
49	INDUSTRIAL GROUP (494)	238.42	+0.5	16.51	5.91	7.59	237.28	236.71	236.73	235.68	227.05
51	Oils (6)	624.90	+0.8	12.71	6.80	8.37	620.00	612.24	611.92	608.93	499.72
59	500 SHARE INDEX	269.91	+0.5	15.86	6.06	7.71	268.48	267.38	267.37	266.17	249.98
61	FINANCIAL GROUP (116)	189.55	+1.0	—	5.58	—	187.71	187.33	187.27	187.92	170.95
62	Banks (6)	217.29	+2.7	38.05	5.90	3.36	211.61	210.90	212.09	213.93	189.77
63	Discount Houses (10)	262.33	+0.3	—	7.00	—	261.66	261.66	261.19	261.55	214.38
64	Hire Purchase (5)	174.00	+0.7	19.07	4.99	6.72	172.74	170.87	171.45	170.48	159.91
65	Insurance (Life) (10)	152.78	+0.5	—	6.65	—	151.97	151.04	150.34	151.57	144.12
66	Insurance (Composite) (8)	125.91	+1.0	—	7.46	—	124.68	124.16	124.00	124.59	138.48
67	Insurance Brokers (10)	268.59	−0.5	18.64	6.83	7.67	270.05	268.92	269.04	270.40	350.35
68	Merchant Banks (14)	99.79	−0.1	—	5.52	—	99.88	99.45	99.26	99.05	[illegible]
69	Property (43)	360.77	+0.2	3.42	2.54	42.71	360.04	360.74	359.78	359.02	253.77
70	Miscellaneous (10)	117.95	−0.1	15.76	7.51	8.12	118.08	119.14	118.42	117.94	112.26
71	Investment Trusts (110)	214.20	—	—	5.33	—	214.10	213.68	213.33	212.80	229.08
81	Mining Finance (4)	131.31	+2.1	15.17	5.75	[illegible]	128.60	127.54	126.57	123.24	106.38
91	Overseas Traders (20)	341.02	+0.4	15.35	7.47	7.96	339.73	337.76	337.74	336.43	329.61
99	ALL-SHARE INDEX (750)	247.64	+0.6	—	5.96	—	246.14	245.21	245.13	244.29	229.66

FIXED INTEREST PRICE INDICES

	British Government	Thurs., Aug. 30	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	104.84	−0.18	—	6.66
2	5-15 years	117.96	−0.45	—	7.33
3	Over 15 years	124.08	−0.44	—	9.51
4	Irredeemables	136.59	−0.36	—	8.69
5	All stocks	114.89	−0.35	—	7.85

FIXED INTEREST YIELDS

	British Govt. Av. Gross Red.		Thurs., Aug. 30.	Wed., Aug. 29	Year ago (approx.)
1	Low	5 years	10.08	10.00	8.87
2	Coupons	15 years	10.54	10.48	10.96
3		25 years	11.01	10.96	11.67
4	Medium	5 years	11.99	11.87	11.77
5	Coupons	15 years	12.06	11.99	12.16
6		25 years	—	—	12.16
7	High	5 years	12.42	12.29	11.73
8	Coupons	15 years	12.56	12.48	12.67
9		25 years	12.45	12.39	12.86
10	Irredeemables		10.79	10.74	11.65

		Thurs. Aug. 30 Index No.	Thurs. Aug. 30 Yield %	Wed. Aug. 29	Tues. Aug. 28	Fri. Aug. [illegible]	Thurs. Aug. 23	Wed. Aug. 22	Tues. Aug. 21	Mon. Aug. 20	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	58.73	†12.64	58.67	58.61	58.62	58.64	58.60	58.54	58.53	57.80
16	Investment Trust Prefs. (15)	51.53	13.08	50.71	50.71	50.89	50.89	50.89	50.89	50.89	51.14
17	Coml. and Indl. Prefs. (20)	70.73	12.66	71.02	70.91	71.14	71.18	71.24	71.14	71.14	70.67

† Redemption yield. Highs and lows record base dates and values and constituent changes are published i Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 2

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AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Gilt Inc. Tst.	107.5	113.2	-0.3	3.14
Abbey Capital	37.5	39.9	+0.1	4.72
Abbey Income	44.1	46.9	-0.2	7.47
Abbey Inv. Tst. Fd.	37.4	39.9		5.73
Abbey Gen. Tst.	50.2	53.2	+0.1	4.58
Equitas Prog. Tst.	70.0	73.9	+0.4	4.79

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	96.8	101.9	-0.3	12.02

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	71.6	76.6	+0.3	5.43
Brit. Inds. Fund	70.0	74.9	+0.3	5.42
Grth & Inc.	40.6	43.4	-0.1	5.07
Elect. & Ind. Dev.	38.2	40.9	+0.1	5.13
Allied Capital	76.4	81.7	+0.3	4.90
Hambro Fund	118.0	126.2	+0.5	5.34
Hambro Acc. Fd.	137.8	147.4	+0.5	4.55
Income Funds				
High Yield Fd.	72.2	77.3		8.85
High Income	70.8	75.8	+0.4	7.59
A. H. Eq. Inc.	40.9	43.8	+0.1	7.40
International Funds				
International	25.6	27.4		2.93
Pacific Fund	36.7	39.3		2.26
Secs. Of America	57.9	61.9		2.09
Specialist Funds				
Smaller Co.'s Fd.	47.3	50.6	-0.1	3.95
2nd Smlr. Co's Fd.	58.5	62.6	+0.1	3.99
Recovery Sits.	113.1	121.0	-0.3	5.43
Met. Min. & C'dty.	47.2	50.5	-0.4	5.15
Overseas Earnings	57.4	61.4	+0.4	5.37
Exempt Funds				
Far East Exempt	44.0		-0.1	3.07
Smaller Co. Exempt	73.8	77.5	+0.1	4.24
U S A Exempt	102.1	106.2		2.07

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	56.3	60.7		4.20

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	165.0	175.0		10.00

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

High Yield	46.0	50.0		10.57
(Accum. Units)	70.2	76.5		10.57
Extra Income Fd.	103.8	112.0	-0.2	10.38
(Accum. Units)	207.0	226.4	-2.2	10.38
High Inc. Fund	40.6	44.2	+0.1	8.65
(Accum. Units)	60.9	66.2	+0.1	8.65
(8½% W'drwl. Uts.)	53.7	56.4	+0.1	8.65
Preference Fund	24.3	26.5		12.50
(Accum. Units)	43.3	44.9		12.50
Capital Fund	22.2	23.9		
Commodity Fund	65.9	71.1	+1.3	4.20
(Accum. Units)	97.9	105.7	+1.9	4.20
(10% W'drwl. U.)	54.3	58.6	+1.0	4.20

Friends' Provdt. Unit Tr. Mgrs.
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	49.1	52.5		4.66
Do. Accum.	65.9	70.4	-0.5	4.66

Funds in Court
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Aug. 16	108.4	110.3		4.53
Gross Inc. Aug. 16	77.8	80.6		9.88
High Yield Aug. 16	65.5	68.6		9.59

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Inc.	104.2	110.8		4.10
Do. Acc.	129.4	137.7		
G.T. Inc. Fd. Un.	173.3	184.3		8.10
G.T. U.S. & Gen.	136.5	147.3		2.70
G.T. Japan & Gen.	82.1			2.10
Gt. Pens. Ex. Fd.	220.2	231.0		5.40
G.T. Intl. Fund	154.1	163.9		2.70
G.T. Four Yds. Fd.	54.4	57.8		7.80
G.T. Far East & Gen	45.1	42.4		3.40

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	36.0	38.4	-0.1	5.03

Gartmore Fund Managers (a)(g)
2 St. Mary Axe EC3A 8BP 01-623 6114
Dealing only. 01-623 5766/5806

American Tst.	26.5	28.4	-0.2	0.87
British Tst. (Acc.)	65.3	70.2	+0.4	3.14
Commodity Share	30.2	32.5	+0.3	3.09
Extra Income Tst.	24.1	25.9	-0.1	9.53
Far East Trust	31.2	33.6	+0.5	0.14
High Income Tst.	58.4	62.9	+0.4	9.49
Income Fund	76.1	81.8	+0.6	7.62
Ins. Agencies	14.22	15.20	+0.9	4.19
Intl. Exempt Fd.	94.2	101.6	+1.4	6.80
Intl. Tst. (Acc.)	31.5	33.9	+0.1	0.96

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111

Extra Income	29.7	32.3	+0.1	9.40
Income	32.5	36.2	+0.2	8.40
Accumulation	75.3	85.2	+0.4	4.10
Growth	42.1	44.8	+0.1	4.70
Capital	46.2	50.3		3.60
Small Co's	47.8	52.0	+0.3	4.00
Technology	70.2	76.3	+0.5	4.50
Private	45.8	49.8		4.20
Intl. Ems. & Assets	46.6	50.6	+0.3	4.30
American	25.1	27.3	+0.1	2.00
Far East & Gen.	24.6	26.5	+0.2	2.20
Far East Trust	27.4	29.5		2.20

Govett (John)
77 London Wall, EC2 01-588 5620

Stock. Aug. 17	131.0	138.7		2.94
Do. Accum. Unit.	160.2	168.7		2.94

Next dealing August 31

Grieveson Management Co. Ltd.
59 Gresham Street, EC2P 2DS 01-606 4433

Barrington Aug. 29	237.3	248.0		5.74
(Accum. Units)	268.3	280.4		5.74
Bing. H. Yd. Aug. 30	176.3	184.7	+0.1	9.56

INSURANCE & PROPERTY BONDS

OFFSHORE & O'SEAS FUNDS

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1979 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
100¼	54⅝	Treasury 10½pc '79‡‡	99⅜	......	10.56	13.07
98¾	94½	Electric 3½pc '76-79	97⅞	+⅛	3.57	14.08
99⅞	95⅞	Treasury 9pc 1980‡‡	98⅛xd	–⅛	9.17	13.11
99⅞	95⅛	Treasury 9½pc '80‡‡	97⅛	–⅛	9.72	12.87
97	92¼	Treasury 3½pc '77-80	94¼	–⅛	3.71	11.22
97⅛	92¾	Funding 5¼pc '78-80‡‡	95¼	–⅛	5.51	11.61
103⅝	99¾	Exchequer 13pc 1980‡‡	100¼	–¼	12.95	12.64
102⅛	96⅛	Treasury 11½pc 1981‡‡	99⅛	–¼	11.60	12.14
93¼	88½	Treasury 3½pc 1979-81	92⅜	–⅛	3.79	9.18
[illegible]	92⅜	Treasury 9¾pc 1981‡‡	96⅝xd	–¼	10.09	12.19
96¼	89½	Exch. 8¼pc 1981	93⅞	–¼	8.78	12.11
98½	91¼	Exch. 9½pc 1981	95½	–¼	9.95	12.18
91¼	84¼	Exch. 3pc 1981	89½	–⅛	3.35	8.98
98⅛	96	Treas. Variable '81§§	97½	......	14.22	15.32
104⅝	97⅞	Exch. 12¾pc 1981‡‡	100¾	–⅛	12.65	12.29
96⅞	89	Treas. 8½pc '80-82‡‡	92⅞	–⅛	9.15	11.99
89½	82	Treasury 3pc '82‡‡	87⅛	–⅛	3.45	8.61
108⅝	100⅝	Treasury 14pc '82‡‡	103⅞xd	–⅛	13.48	12.23
97¼	94½	Treas. Variable '82§§	95¾	......	14.42	15.69
95¼	85⅛	Treasury 8¼pc '82	91¼	–¼	8.99	11.71
97½	86⅞	Exch. 9¼pc 1982	92⅞xd	–¼	9.95	12.01
95⅞	84⅞	Exch. 8¼pc 1983	91⅛	–⅛	9.51	11.69
86⅞	77½	Exch 3pc '83	83	–⅛	3.61	6.78
104½	93½	Treasury 12pc 1983‡‡	99⅝xd	–⅛	12.04	12.15
95	93⅛	Treas. Variable '83§§	95⅞	......	14.76	15.07
97½	84⅞	Treasury 9½pc '83	92⅞	–⅛	10.69	11.71
96⅞	85⅞	Exch 10pc 1983	93⅞	–⅛	10.65	12.06
89½	78⅞	Funding 5½pc '82-84‡‡	85⅛	–⅛	6.45	9.74

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

1979 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
83	81¼	Aust. 5½pc '81-82	87⅝	......	6.44	12.25
84	75½	Do. 6pc 1981-83	81¼	–¼	7.52	12.21
71½	61⅞	N.Z. 7¼pc 1988-92	69½	......	10.61	11.79
84¼	74½	Do. 7½pc '83-86	81⅞	......	9.33	11.74
95	84¼	Sth. Africa 9½pc '79-81	95	......	10.34	13.80
93	45	Sth. Rhod. 2½pc '65-70	89	......	—	—
130	81	Do. 6pc '78-81	127	......	—	—

LOANS

Public Board and Ind.

1979 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
66¾	56	Agric. Mt. 5pc '59-89	66½	......	7.61	10.72
92	75	Alcan 10½pc '89-94	86	......	12.70	12.91
30½	24½	Met. Wtr. 3pc 'B'	29¼xd	+¼	10.25	12.17
129	113	U.S.M.C. 9pc 1982	118	......	7.78	—
95	87	Do. without Warrants	90½	......	10.19	13.90

Financial

1979 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
103¾	98¼	FFI 13pc 1981	100¼	+¼	12.97	12.72
107	100	Do. 14pc '79	101	......	14.24	—
108¼	98½	Do. 14pc '83	104	......	13.46	12.73
86½	77½	ICFC 5½pc Deb. '80-82	85xd	......	6.60	11.85
85	71½	Do. 5¼pc Db. '81-84	79½	......	3.07	12.30
99	84½	Do. 10¼pc Uns.Ln. '86	93	......	11.46	12.40
99	84½	Do. 11pc Uns.Ln. '88	95	......	11.52	12.10
101½	84	Do. 11¾pc Uns.Ln. '90	97½	+½	12.22	12.40
72½	57	Do. 7¼pcADeb. '89-92	67	+½	11.02	12.70
69	53½	Do. 7¼pcA Db. '91-94	64½xd	......	11.24	12.60
81½	64½	Do. 9pc'A' '91-94	75½xd	......	11.92	12.70
78½	62½	Do. 8⅞pcLn. '92-97	73xd	......	12.15	12.60
102	95½	Do. 12½pc Uns. Ln. 1992	98xd	......	12.75	12.80

FOREIGN BONDS & RAILS

1979 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
35	32	Antofagasta Rly.	35	......	—	—
45	37	Do. 5pc Pref.	45	......	—	—
98	98	Chilean Mixed	98	......	—	13.10
31	18	Chinese 4½pc 1898	24	......	—	—
35	21	Do. 5pc 1912	21	......	—	—
20	10	Do. 5pc 1925 Boxer	10	......	—	—
430	400	German Yng. 4½pc.	425	......	4½	8.36
52	35	Greek 7pc Ass.	41	......	3½	8.76
51	34	Do 6pc 28 Stab. Ass.	40	......	6	7.53
42	32	Do 4pc Mixed Ass.	37	......	4	5.45
54	42	Hung. '24 Ass.	54	......	—	5.10
68	66	Iceland 6½pc '83-88	68	......	—	13.05
90½	78½	Ireland 7½pc '81-83.	85½	......	7½	12.68
37½	59	Do 9¾pc '91-96	81¾xd	......	9¾	12.31
390	230	Japan 4pc '10 Ass	255	......	—	—
73	65	Do 6pc '83-88	67	......	6	12.00
160	135	Peru Ass.3pc	150	......	3	1.75
75p	75p	S.G.I. 6½pc 1980	75p	......	6½	8.67
$94½	$94½	Turin 9pc 1991	$94½	......	9	9.53
DM91	DM91	Turin 6½pc 1984.	DM91	......	6½	8.45
97	95	Uruguay 3½pc	96	......	3½	3.80

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

1979 High	Low	Stock	£	+ or –	Div. Gross	C'vr	Y'ld Gr's
20¼	11¾	ASA	13½	–¼	$1.00	—	3.4
59	40	AMF 5% Conv. '87	42	......	5%	—	12.5
21⅜	14⅝	Abbott Labs.‖	18⅜xd	......	84c	—	—
25⅞	17	Amax $1	19½	–¼	$1.6	—	3.7
23½	15⅛	American Express	17¼	–⅞	$1.80	—	4.7
24½	13¾	Amer. Medic. Int.	17⅛	+¼	60c	—	0.0
14⅝	847p	Asarco Inc.	12⅜xd	......	$1.00	—	3.6

S.E. List Premium 104¾% (based on US$2.2460 per £)
Conversion factor 0.9023 (0.8993)

CANADIANS

S.E. List Premium 104¾% (based on $2.6316 per £)

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هكذا من الأصل

INDUSTRIALS—Continued

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
64	48	Hargreaves 20p	53	+1	F3.95	2.5	10.6	4.7
170	90	Harris (Ph.) 20p	100	−1	5.0	4.3	7.1	4.3
49	33	Harris & Sheldon	38	......	h2.21	2.2	8.3	7.9
*72	53	Hawkins & Tipson	55	......	4.46	2.4	11.6	4.1
19½	12¼	Hawtin 5p	14¼	−¼	0.25	6.7	2.5	6.5
78	54	Hay (Norman) 10p	54	......	3.7	1.8	9.8	8.2
*164	126	Hay's Wharf £1	136	+2	F7.21	2.3	7.6	7.7
60	22	Hensher 'A' 10p	57	......	d1.1	6.3	2.8	8.2
134	74½	Hepworth Cerm.	114½	+½	3.68	3.6	4.6	7.8
76	30	Hestair	30	−1	3.5	—	16.7	—
50	25	Hewitt (J.) 5p	39	......	1.28	6.3	4.9	4.1
72	42	Highgate & Job 5p	42	−1	—	—	—	—
100	77	Hill (Chas.) £1	77	......	d2.0	—	3.7	—
*49½	29	Hirst Mal'son 20p	37xd	......	t2.6	3.6	10.0	3.8
90	78	Holden (A.)	86	......	4.0	3.4	6.8	5.8
75	58	Hollis Bros	61	......	5.12	ϕ	12.0	ϕ
215	148	Holt Lloyd Int. 10p	215	+5	H9.0	2.3	6.0	11.8
222	125	Hoover 'A'	130xd	+5	12.0	1.1	13.2	9.0
163	130	Hoskins & H 20p	138	......	10.39	1.4	10.8	8.6
49	23½	Howard Tenens	49	+2	1.94	ϕ	5.8	ϕ
236	142	Hunting Assoc.	238	......	2.44	11.4	1.5	6.7
89	48	Huntleigh 10p	68	−9	0.76	6.5	1.6	12.3
74	40	Hutch Whamp $HK1	48	+1	Q23c	2.5	4.6	8.7
33	22	Hyman (I. & J.) 5p	23	......	d0.96	3.6	6.0	6.7

For IAS Cargo see British Cargo

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
£20¾	£11⅞	I.C. Industries$	£14⅝	−⅛	Q$1.84	—	5.8	—
545	420	ICL £1	480	+8	t8.29	8.0	2.4	5.4
543	358	Imp. Cont. Gas £1	513	+1	18.09	2.5	5.0	8.9
33	25	Ingall Inds. 10p	25	......	t1.87	1.6	10.7	8.3
146	88½	Initial Services	111	......	5.5	2.5	7.1	6.6
31	16	Inter-City 20p	23	......	1.17	4.0	7.3	4.0
175	72	Jacksons Bourne	132xd	+2	ϕ3.0	ϕ	3.2	ϕ
19	15¼	James (M.) Ind. 20p	16½	......	d0.5	ϕ	4.3	ϕ
206	100	Jardine M. $HK6	107	−2	Q71c	2.2	6.4	7.1
34½	30	Jentique	34½	......	t2.22	1.4	9.2	10.7
15½	9	Johnson & Barnes	10	......	—	—	—	—
161	105	Johnson Clnrs.	154xd	......	t5.06	4.4	4.7	5.4
*260	185	Johnson Mthy. £1	200	−3	8.5	ϕ	6.1	ϕ
47	36	Jourdan (T.) 10p	40	......	3.22	1.1	11.5	10.4
71½	35½	Kalamazoo 10p	54½	......	t2.16	1.8	5.7	13.8
182	107	Kelsey Inds.	140	......	t3.61	7.5	3.7	5.2
60	40	Kennedy Sm. 10p	49xd	+1	2.06	ϕ	6.0	ϕ
£14½	925	Kershaw (A.) 5p	£10¼	......	t23.25	2.0	3.3	(1.5)
78	61½	Kleen-E-Ze Hldgs.	65	......	4.5	ϕ	9.7	ϕ
89	61	L.C.P. Hlds.	86xc	......	ϕ3.67	2.3	6.1	8.9
43	33	L.K. Ind'l. Invs.	33	......	d2.9	1.6	12.6	(6.0)
41½	26	L.R.C. Int. 10p	30½xd	+1	2.23	1.4	10.4	9.2
100	57	Lawtex	73	−2	t3.22	5.2	6.3	3.1
184	135	Lead Inds. 50p	152	+1	8.23	3.1	7.7	5.1
105	59	Leadenhall Sterling	98	......	h2.57	4.2	3.8	8.9
67	41	Le Bas (Ed)	64	−1	t1.84	7.5	4	3.9
50	33½	Leboff Fobel 10p	39xd	......	2.0	ϕ	7.3	ϕ
307	237	Lep Group 10p	280xd	......	12.5	2.2	6.4	8.5
89	44	Lesney Prods. 5p	51	−1	d3.24	3.2	9.1	(3.7)

INSURANCE—Continued

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
141	77	Hambro Life 5p	120	......	4.76	—	5.7	—
280	160	Heath (C.E.) 20p	190	−2	5.42	4.7	4.1	6.6
151	82½	Hogg Robinson	96	......	4.94	2.6	7.4	7.9
137	79	Howden (A.) 10p	86	......	7.0	1.5	11.6	7.2
£42	£36	Do Warrants	£36½	......	—	—	—	—
190	138	Legal & General	158	+1	6.51	—	5.9	—
158	118	Lon. & Man. 5p	134	+2	7.24	—	7.7	—
196	129	London United 20p	148	+1	5.31	4.2	5.1	6.6
194	107	Minet Hldgs. 20p	123	......	3.72	3.9	4.3	7.6
60	32	Moran (Chris) 20p	36	......	4.0	1.3	15.9	6.8
304	216	Pearl 5p	258	+8	14.05	—	7.9	—
306	216	Phoenix	242	+2	11.56	—	6.8	—
158	134	Provident	140	......	9.12	—	9.3	—
193	134	Prudential	163	......	8.06	—	7.1	—
172	134	Refuge 5p	144	+2	t9.2	—	9.4	—
443	320	Royal	345	+3	t18.77	—	8.0	—
123	78	Sedg Forbes 10p	92	+1	t5.0	2.1	7.6	8.6
110	71	Stenhouse	88xd	−1	4.52	2.5	7.3	6.5
230	167	Stewart Wr. 20p	188	−12	t11.05	2.4	8.2	6.4
682	474	Sun Alliance £1	552	+8	22.5	—	5.8	—
147	95	Sun Life 5p	121	......	t3.48	—	4.1	—
998	512	Taisho Mar. EDR	565	......	Q010%	—	0.2	—
220	170	Trade Indemnity	220	......	9.38	—	6.1	—
£27¼	£18¼	Travelers $2.50	£18½	−⅜	Q$2.08	—	5.1	—
270	185	Willis Faber	218	−2	10.05	2.2	6.6	10.1

LEISURE

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
100	55	Anglia TV 'A'	75	−2	th3.14	4.0	6.0	6.0
109	70	Assoc. Leisure 5p	105xd	......	4.25	2.6	5.8	8.7
167	107	Barr & W.A.T. 'A'	125	......	d3.5	6.6	4.0	5.1
102	68	Black Edgtn. 50p	70	+2	d4.99	1.6	10.2	7.7
202	156	Boosey & Hawkes	177	......	5.67	2.5	4.6	11.3
127	92	Campari Int. 20p	114	......	t2.0	9.2	2.5	4.3
133	106	Coral Leis. 10p	111	......	6.7	2.0	8.6	8.2
35	23	Grampian 'A' 10p	33xc	......	2.44	3.3	10.6	3.8
163	118	HTV Non/Vtg.	130	+3	t9.0	2.0	10.2	7.1
41½	16	Hawley Leisure 5p	40½xd	−½	t0.8	2.6	2.8	(16.0)
274	127	Horizon 5p	205	......	t5.64	4.6	3.9	7.9
26	14	H'wrd Wy'd 20p	20	......	th0.62	3.8	4.4	5.7
176	136	LWT "A"	146	......	t9.28	1.9	9.1	8.2
186	107	Mngmt. Ag. M. 10p	151	......	ϕ6.89	3.5	6.5	5.9
40	32	Medminster 10p	34½	......	t2.03	2.1	8.7	8.0
10	6½	Nationwide 5p	7	......	0.37	0.1	7.6	—
168	138	Norton & Wrt. 10p	143	......	2.98	ϕ	3.0	ϕ
56	39	Photax (Lon.)	56	......	d3.03	2.0	7.7	9.3
172	89	Pleasurama 5p	169xd	......	t2.4	7.2	2.0	9.8
71	65	Redif. TV Pref. £1	68	......	5.95	27.4	12.5	—
244	142	Saga Holidays	168	......	ϕ6.75	2.9	5.7	10.0
238	104	Samuelson 20p	210	......	d8.39	1.6	5.7	15.4
91	62	Scott. TV 'A' 10p	88	+1	2.63	8.0	4.3	4.2
69½	50½	Trid'nt TV 'A' 10p	57	......	t3.16	2.8	7.9	6.4
98	64	Ulster TV 'A'	80	......	t4.3	ϕ	7.7	ϕ

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TRUSTS, FINANCE, LAND

INVESTMENT TRUSTS—Cont.

FINANCE, LAND—Continued

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

MINES

MINES—Continued

AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
14	9	Acmex	12	......	—	—	—
15	4	ACM 20c	14	......	—	—	—
171	100	Bougainville 50 Toea	129	−4	tQ15c	1.0	6.1
140	84	BH South 50c	121	+6	—	—	—
860	340	Central Pacific	760	+10	—	—	—
318	170	Conzinc Riotinto 50c	212	......	NQ10c	2.8	2.4
36	16	Cultus Pacific N.L.	20	+1	—	—	—
17½	5	Eagle Corp. 10c	17½	+3	—	—	—
21½	11	Endeavour 20c	17½	......	—	—	—
93	62	G.M. Kalgoor'lie $1	93	+2	Q5c	ϕ	1.7
42	23	Haoma Gold N.L.	36	−1	—	—	—
235	146	Hampton Areas 5p	235	+5	3.5	2.8	2.1
71½	25	Metals Ex. 50c	42	+1	—	—	—
275	168	M.I.M. Hldgs. 50c	210	+11	Q17c	ϕ	4.1
15	15	Minefields Expl.	15	......	—	—	—
74	30	Mount Lyell 25c	48	......	—	—	—
41	14	Newmetal 20c	15	......	—	—	—
141	91	North B. Hill 50c	127	+13	Q12c	ϕ	5.0
22	11	Nth. Kalgurli	19	......	—	—	—
40	22	Nth. West Mining	35	......	—	—	—
137	76	Oakbridge $A1	102	+7	Q12c	ϕ	6.2
41	22	Otter N. L.	40	......	—	—	—
120	56	Pacific Copper	117	+5	—	—	—
£10½	625	Pancont'l 25c	813	+63	—	—	—
32½	15½	Parinsa M&Ex 5p	32½	+4½	—	—	—
510	268	Peko-Wallsend 50c	356	+6	tQ17.5c	ϕ	2.9
340	145	Southern Pacific	285	......	—	—	—
29	11	Swan Resources 20c	20½	......	—	—	—
16	12	West Coast 25c	13	......	—	—	—
188	121	Westn. Mining 50c	167	+2	Q7c	ϕ	2.3
11	9	Westmex	10	......	—	—	—
65	50	Whim Creek 20c	55	......	—	—	—
25	13	York Resources	13	......	—	—	—

TINS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	27	......	2.61	1.3	14.9
435	265	Ayer Hitam $M1	325	+5	Q30c	0.5	19.8
72	50	Beralt Tin	50	−1	4.0	3.3	11.4
370	275	Berjuntai $M1	385	+5	Q95c	ϕ	11.9
160	125	Geevor	125	......	8.71	1.1	10.0
10½	8	Gold & Base 12½p	8	......	—	—	—
365	295	Gopeng Cons	310	+5	t19.0	1.4	8.3
370	295	Hongkong	320	+10	t12.5	2.8	5.6
96	64	Idris 10p	65	......	t4.0	1.6	13.1
14	9½	Jantar 12½p	12	......	—	—	—
75	58	Kamunting $M0.50	75xd	......	Q47½c	1.1	14.2
620	210	Killinghall $M1	320	+10	—	—	—
465	365	Malay Dredging $M1	450	......	t175c	0.7	1.5
57	28	Pahang	32	......	—	—	—
123	60	Pengkalen 10p	117	......	4.5	1.2	5.7

COPPER

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
111	56	Messina R0.50	84	+6	—	—	—

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
81	54	Barymin	58	−2	—	—	—
13½	10	Burma Mines 17½p	10½	......	—	—	—
345	170	Cons. Murch. 10c	325	+25	Z030c	—	4.7
410	290	Northgate C$1	340	......	—	—	—
362	226	R.T.Z.	310	+8	11.5	2.7	5.3
31	18	Robert Mines	21	−1	—	—	—
65	30	Sabina Inds. C$1	34	......	—	—	—
880	525	Tara Expln. $1	538	......	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
$19¾	$10½	Buffels R1	$19⅝	+⅝	Q200c	ϕ	12.5
$15½	890c	East Drie R1	$14⅝	+¼	tQ115c	1.6	9.3
$11½	350	East Rand Prp. R1	$11¼	+½	tQ10c	—	1.1
$32¾	$18¼	F.S. Geduld 50c	$32¾	+½	tQ215c	2.4	11.6
$22	$11⅛	Pres. Brand 50c	$22	+½	tQ150c	3.2	8.3
$19¾	$10¼	St. Helena R1	$19¾	+⅝	tQ190c	1.4	11.6
790c	407c	Stilfontein 50c	790c	−30	tQ66c	1.7	10.1
$36¼	$18¼	Vaal Reefs 50c	$36¼	+¾	tQ280c	2.7	9.7
$51½	$28¾	West Drie R1	$51½	+1	Q615c	ϕ	14.5
$39	$22¼	West Hldgs. 50c	$39	+¼	tQ415c	1.4	12.9
$18½	$10⅞	Western Deep R2	$27⅞	+⅛	[illegible]	2.1	10.0

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling or in EEC currencies are quoted inclusive of the investment dollar premium.

- △ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ϕϕ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xk ex capital distribution.

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	......	Sindall (Wm.)	167	......
Bertam	22	......	**IRISH**		
Bdg'wtr. Est. 50p	415	+5	Conv. 9% '80/82	£88⅞	......
Clover Croft	28	......	Nat. 9¾% 84/89	£72¼	......
Craig & Rose £1	321½	......	Fin. 13% 97/02	£86½	......
Dyson (R. A.) A	36	......	Alliance Gas	85	......
Ellis & McHdy	180	......	Arnott	350	......
Fife Forge	52	......	Carroll (P.J.)	110	......
Finlay Pkg. 5p	19½	......	Clondalkin	80	......
Graig Ship. £1	335	......	Concrete Prods.	79xd	......
Higsons Brew	67	−1	Heiton (Hldgs.)	78	......
Holt (Jos) 25p	255	......	Ins. Corp.	190	......
I.O.M. Stm. £1	145	−5	Irish Ropes	72	......
Pearce (C. H.)	278	......	Jacob	35	......
Peel Mills	30	......	T.M.G.	145xc	+5
Sheff. Refrshmt	105	......	Unidare	85	......

OPTIONS
3-month Call Rates

Industrials		I.C.I.	24	Tube Invest.	30
A. Brew	9	"Imps"	6	Unilever	55
BOC Intl.	6	I.C.L.	55	U.D.T.	5
B.S.R.	7	Invercsk	7	Utd. Drapery	10
Babcock	28	KCA	5	Vickers	18
Barclays Bank	32	Ladbroke	22	Woolworths	7½
Beecham	22	Legal & Gen.	14		
Blue Circle	12	Lex Service	11	**Property**	
Boots	18	Lloyds Bank	25	Brit. Land	7½
Bowaters	18	"Lofs"	5	Cap. Counties	9
B.A.T.	28	London Brick	7	Land Secs.	25
Brown (J.)	50	Lonrho	8	MEPC	17
Burton 'A'	26	Lucas Inds.	25	Peachey	13
Cadburys	7	"Mams"	10	Samuel Props.	14
Courtaulds	10	Mks. & Spncr	11	Town & City	2¼
Debenhams	8	Midland Bank	30		
Distillers	21	N.E.I.	14	**Oils**	
Dunlop	6½	Nat. West. Bank	22	Brit. Petroleum	100
Eagle Star	14	Do. Warrants	15	Burmah Oil	10
E.M.I.	12	P & O Dfd.	10	Charterhall	5
Gen. Accident	21	Plessey	10	Premier	5
Gen. Electric	35	R.H.M.	5	Shell	35
Glaxo	50	Rank Org.	25	Ultramar	25
Grand Met.	13	Reed Intnl.	16		
G.U.S. 'A'	30	Sears	5½	**Mines**	
Guardian	24	Spillers	4½	Charter Cons.	16
G.K.N.	26	Tesco	7	Cons. Gold	20
Hawker Sidd	26	Thorn	35	Rio T. Zinc	27
House of Fraser	18	Trust Houses	17		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Friday August 31 1979

Furness-Houlder suspends employee over dealings

BY JOHN MOORE

AN EMPLOYEE of Furness-Houlder (Insurance), the Lloyd's insurance broking subsidiary of shipping group Furness, Withy, has been suspended in connection with business activities with underwriting syndicates managed by Ashby and Company.

Furness-Houlder (Insurance) said last night: "An employee in the overseas section of Furness-Houlder (Insurance) was suspended on August 8 pending satisfactory answers to questions relating to business placed with the Ashby syndicates 753 and 751." The employee is an insurance broker and the action was initiated by the company without the intervention of Lloyd's. But the company has not named the employee.

The Ashby managing company called a halt to dealings earlier this week on five of its underwriting syndicates at Lloyd's—syndicate numbers 753, 751, 750, 752 and 757—following concern about the premium limits of the syndicates. There were fears that one of these syndicates, number 751, had greatly exceeded the premium limits laid down by Lloyd's rules.

Investigations have been started by Ashby. These are examining whether the volume of general insurance business which had been placed with the syndicate was at a far greater level than the syndicate had been led to expect.

No underwriting syndicate at Lloyd's deals with the general public. All business placed with the 361 Lloyd's syndicates must be placed by one of the 269 Lloyd's insurance brokers.

Syndicate 751 has more than 300 members. Because Ashby is devoting its entire resources to the problem after legal advice the other syndicates under its management have temporarily ceased underwriting.

In the last accounts of Furness, Withy—for the year ending December 1978—Furness-Houlder (Insurance) is shown to have made a trading profit of £666,000.

General Council rejects Murray line

BY CHRISTIAN TYLER, LABOUR EDITOR

AN AGGRESSIVE note was struck by the trades union leadership as it met yesterday to discuss an already-combative list of motions for debate at the annual Congress which begins on Monday.

On two important policy issues, the TUC General Council rejected the cautious line of Mr. Len Murray, general secretary. The issues are renationalisation of publicly-owned industries which the Government intends to sell back to the private sector, and detente with the Communist-dominated trade union body based in Prague, the World Federation of Trade Unions.

The revolt was being interpreted by the Left as a sign that the TUC "establishment" is under growing pressure following the failure of the last Government's own policies to secure its re-election.

The main lines of the week's debates were, however, agreed yesterday. The general council, which has put down its own motion for a campaign against Government economic measures, decided to ask the small Furniture, Timber and Allied Trades Union to withdraw an amendment that would commit the unions to mass demonstrations.

However, the Congress is almost certain to approve a composite motion that includes a call for a national day of action against public expenditure cuts put in by the Association of Scientific, Technical and Managerial Staffs.

Attempts will also be made to have a motion from the locomen's union, ASLEF, that would provide a dress rehearsal for next month's Labour Party Conference struggle over the party's constitution, removed from the agenda. ASLEF's motion calls on the Labour Party to ensure that a future Labour Government carries out policies decided by the party conference.

Mr. Murray said afterwards that the TUC was not competent to intervene or comment on matters of constitutional significance to the Labour Party.

The committee of nine trades union leaders who want the party inquiry into organisation, structure and finances revived, met yesterday to discuss their conference tactics. Mr. David Basnett, of the General and Municipal Workers and chairman of the committee, said it would not be disclosing its views until it had put them to the organisation committee of the Labour Party National Executive on Monday week.

The most protracted debate within the general council yesterday was on an amendment from the Civil and Public Services' Association that would commit the unions to fighting for renationalisation without compensation of any asset or business activity hived off from public corporations.

TUC officials and the nationalised industries' committee sought to have this removed, so that each case could be considered as it came up, but their motion was lost by 23 votes to 17, which means that it will be accepted with the reservation that the committee would be able to review cases. Mr. Murray said afterwards that there was no doubt about the TUC's determination to oppose such hiving off.

Swing to Right as Mulder wins court battle

BY QUENTIN PEEL IN JOHANNESBURG

DR. CONNIE MULDER, the disgraced former South African Minister of Information, yesterday won an important court battle against the State.

At the same time, the ruling National Party suffered setbacks in two key by-elections, partly because of the scandal for which he was responsible.

At least one of the by-election results suggests that there could be a considerable Right-wing backlash against moves to humanise racial discrimination in employment and sport—and Dr. Mulder, once heir apparent to Mr. John Vorster as Prime Minister, could be in a position to lead it.

But his legal victory yesterday, when charges of contempt were dismissed in the Pretoria Supreme Court, has actually deprived him of being able to use the witness box in an attempt to clear his name.

Dr. Mulder was accused of refusing to give evidence to the Erasmus Commission of Inquiry into the secret operations of his former department. The inquiry report accused him of maladministration, and sharing responsibility for the misappropriation of funds in the projects.

The case was dismissed by Judge W. G. Boshoff, on the grounds that the commission had exceeded its terms of reference in the inquiry, without the defence calling evidence.

Although the case casts doubt on the conduct of the Erasmus Commission, it is unlikely to result in any review of its findings. These severely criticised Dr. Mulder, Mr. Vorster and Dr. Eschel Rhoodie, the former Secretary for Information. Dr. Rhoodie is to appear in court next month on charges of fraud and theft involving the secret funds he used.

But while the Government may draw some relief from the rapid resolution of Dr. Mulder's case, its political position has been eroded by the information scandal, and by widespread doubts about the direction of the present Government under Mr. P. W. Botha.

In Wednesday's by-elections, the ruling National Party lost ground to both the Right and the Left among the white electorate. The most serious erosion of its overwhelming position was in the working-class constituency of Koedoespoort, outside Pretoria, where the extreme Right-wing Herstigte Nasionale Party (HNP) tripled its vote with a swing of 28 per cent—the largest by-election swing against the National Party since it came to power in 1948.

In Johannesburg West the erosion of National Party support was shown both in a swing to the liberally-inclined Progressive Federal Party, which increased its vote by 60 per cent, and in a mass abstention.

But the National Party still retained both seats, which had safe majorities. Neither the HNP nor the PFP represent a serious national threat to the ruling party. Indeed the extent of abstentions in the elections suggest confusion in the white electorate as much as outright hostility.

Dr. Mulder is likely to present himself as the natural leader of a Right-wing backlash against the Government. But Mr. Botha is unlikely to change his present direction of seeking to win more widespread support for a humanised form of apartheid, just on the basis of the results so far.

BP to release Irish oil find details

BY RAY DAFTER, ENERGY EDITOR

DETAILS OF British Petroleum's oil find off the west coast of Ireland last week—the most promising in the area so far—will be released in the next few days.

BP, as operator of a seven-company exploration group, is believed to have tested oil flows of more than 1,000 barrels a day at its find, 180 miles west of Galway.

While this is a modest flow rate by North Sea standards, it should be enough to encourage increased exploration in the Atlantic's Porcupine Trough.

Ireland's oil potential was first confirmed last October by Phillips, which tested crude at a flow rate of 730 barrels a day in an exploration well sunk on block 35/8. Although deemed non-commercial, it was the first encouraging strike in a 20-year search around Ireland.

It is likely that BP's discovery, on block 26/28, will also be considered non-commercial. Companies would be seeking sizeable reservoirs—with much higher flow rates—before contemplating commercial development in the deep waters (some 1,250 ft) of the Porcupine Trough.

It is thought that BP's well, drilled by the semi-submersible rig Sedco 703, encountered a reservoir with a very thin layer of oil-bearing rock but it is not clear whether this is characteristic of the whole field.

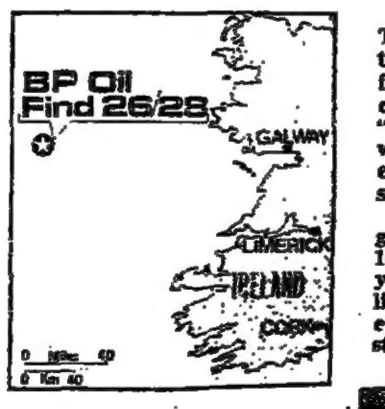
More information about the geological pattern of the area should be gained from a well to be drilled shortly by Gulf Oil, also using Sedco 703, a block 26/21.

BP may indicate further exploration in the area when it announces the results of the 26/28 test. The group is becoming much more heavily committed to exploration work in Europe and overseas. Its exploration budget this year is about £200m—double last year's expenditure.

The company's transformed crude oil trading position has boosted explorations with nationalisation in Nigeria and a reduction in contract supplies from the Middle East. BP finds itself with just about enough crude oil to satisfy its own downstream demands.

The company has told the Government it is anxious to expand its North Sea interests and may buy some of the assets to be sold shortly by British National Oil Corporation.

BNOC's Board meets in Glasgow today to finalise its recommendations to the Government about asset disposals.



Supply cuts attacked

By Sue Cameron

THE MOTOR Agents Association yesterday launched a fresh attack on the major oil companies, saying there was "no doubt" the companies were intensifying efforts to end supply contracts with small garages.

The association said that garages selling less than 100,000 gallons of petrol yearly were the ones most likely to have their contracts ended. Half the UK's stations fall into this category.

Kosygin 'ready to modify SALT treaty'

BY OUR FOREIGN STAFF

SENATOR JOSEPH BIDEN said yesterday that talks in Moscow with Mr. Alexei Kosygin, the Soviet Premier, convinced him that Russia will agree to modifications in the recently signed SALT-II treaty.

The Soviet authorities were also said to be willing to discuss sharp reductions in nuclear weaponry when negotiations begin for a SALT-III pact.

Significant concessions by the USSR would considerably ease the passage of the SALT-II accord through the U.S. Senate, where a two-thirds majority is required for ratification.

Senator Biden, who is leading a group of [illegible] Senators on a visit to the Soviet Union, said he told Mr. Kosygin that the Senate is bound to attach important reservations to the treaty during its debate.

These were aimed at preserving U.S. superiority in cruise missiles, limiting Soviet production of the Backfire bomber, retaining the present state of arms collaboration between the U.S. and the rest of NATO, and ensuring that statements and understandings attached to the treaty had the same force as the treaty itself.

The Senator said he received "the absolutely indelible impression that the Soviet Union expects and accepts what we are about to do." Pressed to explain how he formed this view of Mr. Kosygin's thinking, he said: "On the basis of silence."

But another member of the party, Senator Richard Lugar, said he doubted whether Senator Biden was correct, because the Russians had not yet had a chance to begin to study the modifications.

Senator David Boren said Mr. Kosygin had drawn a very clear distinction between Senate reservations and any formal amendment which could prompt renegotiation of the treaty.

During their three-hour meeting yesterday with Mr. Kosygin, Senator Biden suggested to the Prime Minister that the undertaking to limit Backfire production to 30 a year—given by Mr. Leonid Brezhnev, the Soviet President to President Jimmy Carter in Vienna in June—be put in writing.

Senator Biden said Mr. Kosygin seemed surprised and said: "Why are you even asking me this? It's part of the treaty and the whole world knows it. The Western Press knows it and you can even ask people on the street."

The senators told Mr. Kosygin the U.S. would definitely abrogate the treaty if the Backfire guarantee was broken, but the suggestion of putting it in writing went no further.

Weather

UK TODAY

MOSTLY dry with sunny periods, warm.

London, England (except S.W.), Channel Is.

Early mist clearing. Dry and sunny, very warm. Max. 25C (77F).

S.W. England, Wales, Isle of Man, N.W., S.W. Scotland, Argyll, N. Ireland

Rather cloudy with occasional rain. Sunny periods inland. Max. 19C (66F).

N.E. Scotland, Orkney, Shetland

Mostly cloudy with occasional rain. Max. 14C (57F).

Rest of Scotland

Mostly dry with sunny periods. Max. 20C (68F).

Outlook: Dry and warm at first. Cooler weather and occasional rain later.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	24	74	L. Plms.	S	24	75
Algiers	C	28	82	Lisbon	S	25	77
Amsdm.	S	24	75	Locarno	S	22	72
Athens	F	27	81	London	S	24	75
Bahrain	S	35	95	Luxmbg.	S	21	70
Barclna.	S	24	75	Madrid	S	20	68
Beirut	S	29	84	Malorca	F	30	86
Belfast	F	19	66	Malaga	[illegible]	27	81
Belgrd.	F	19	66	Malta	S	28	82
Berlin	S	21	70	M'chstr	S	22	72
Biarritz	F	23	73	Melbne.	R	12	54
Bmghm.	S	21	70	Milan	F	23	73
Blackpl.	S	23	73	Montreal.	C	21	70
Bordx.	F	24	75	Moscow	F	16	61
Boulgn.	S	19	66	Munich	S	21	70
Bristol	S	21	70	Nairobi	S	23	73
Brussels	S	24	75	Naples	S	25	77
Budpst.	F	20	68	Nwcstl.	F	19	66
B. Aires	S	14	57	N. York	C	27	81
Cairo	S	34	93	Nice	S	23	73
Cardiff	S	20	68	Nicosia	S	28	82
Cape T.	S	20	68	Oporto	S	21	70
Chicago	S	27	81	Oslo	F	20	68
Cologne	S	23	73	Paris	S	24	75
Cpnhgn.	S	20	68	Perth	S	15	59
Corfu	S	28	82	Prague	F	20	68
Dublin	F	18	64	Reykjvk.	S	10	50
Dbrvnk.	S	23	73	Rhodes	S	28	82
Ednbgh.	F	19	66	Rio Jo.	C	25	77
Faro	S	28	82	Rome	S	27	81
Florence	F	20	68	Salzbrg.	S	21	70
Frankft.	S	23	73	Singapr.	S	30	86
Funchal	S	22	72	Stckhm.	F	19	66
Geneva	F	20	68	Strasbg.	S	22	72
Gibrltr.	C	25	77	Sydney	F	18	61
Glasgow	F	18	64	Tehran	S	26	80
G'rnsey	S	19	66	Tel Aviv	S	[illegible]	82
H Kong	C	25	78	Tenerife	S	20	68
Innsbrk.	S	21	70	Tokyo	R	[illegible]	[illegible]
Invrnss.	F	17	63	Toronto	C	[illegible]	[illegible]
I.o.Man	F	17	63	Valencia	F	[illegible]	77
Istanbul	R	18	64	Vienna	C	19	66
Jersey	S	19	66	Warsaw	C	15	59
Jo'burg	C	13	55	Zurich	F	18	64

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

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Reinsurers

(UK), Sumitomo Marine and Fire Insurance (Europe), New India Assurance, South British Insurance, Gothaer Versicherungsbank, and Hanseco (UK) Insurance.

The action was started at the same time that Itel began a $26.6m action against Marsh and McLennan and Americas Insurance over the same disputed computer leasing insurance scheme. Itel is claiming $1.6m in unpaid claims: the remainder of its action is for punitive damages for a maximum $25m.

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Cabinet agrees to strengthen RUC

European MP, that if the culprits were caught they should be tried in Northern Ireland, have been ruled out.

Mr. Taylor's suggestions that if the Protestant para-military groups who have threatened violent backlashes to IRA violence cannot restrain themselves, they should choose targets in the Republic, has caused outrage in Dublin among Catholic leaders in Belfast.

Mr. Taylor, in a carefully worded statement, emphasised that he condemned para-military violence, but in a key passage said: "If the leadership of the Loyalist para-militaries find it absolutely impossible to refrain from renewed action on the ground then in no way can that action occur on Ulster soil.

"It should be directed to targets within the Republic of Ireland from which most of the serious IRA attacks originate and within which the Provisional IRA is facilitated by a weak-kneed government which is not prepared to uphold civilised standards of security, co-operation and extradition which apply elsewhere throughout Europe."

In Belfast Mr Pascal O'Hare, who is a barrister and a leading member of the Social Democratic Labour Party, the leading voice of moderate Roman Catholics, said Mr. Taylor ought to be charged under British law for incitement.

Mr. Lynch arrived in Dublin yesterday from his holiday in Portugal. His delayed return has caused a storm of critism, particularly in Northern Ireland. Many Unionists in Belfast said that Mr. Lynch's attitude to Lord Mountbatten's death was shown to be casual when contrasted with the behaviour of Mrs. Thatcher, who flew to Northern Ireland and visited known Republican strongholds like Crossmaglen,

THE LEX COLUMN

Plessey looks for better times

Plessey's share price has been very strong in recent months, and the first quarter figures will help to support the idea that the group is at last turning the corner. Profits are up from £12.4m to £13.2m pre-tax, despite an adverse currency swing of £500,000 and the disappearance of ICL's contribution to associated company income (£1.9m a year ago).

Loss elimination has played a big part in the increase so far, and should have a progressively greater impact through the year. Losses on the Garrard record changer business have fallen from just over £1m to £285,000, and Garrard is expected to lose £1m for the full year compared with £2.8m last time. Rationalisation is also leaving a mark on electronic components, where sales are down but profits are up by over a half to £2.2m.

However, the key to this year's performance lies on the telecommunications side, particularly at the Strowger main exchanges factory at Liverpool which lost nearly £8m in 1978-79. In the final quarter of last year, this factory was losing money at a rate of just over £800,000 a month. Substantial redundancies and improved production methods have reduced this monthly loss to around £400,000. And with more profitable contracts starting to flow through in the second half of the year, Plessey hopes that it will break even in 1979-80 as a whole.

On this basis, group profits this year could rise from £46.2m to, say £52m unless the climate for industrial relations deteriorates. There is scope for further improvement in 1980-81.

Several reservations remain. The upturn in profits is as much the result of retrenchment and rationalisation as of any positive expansion. And it will still not leave Plessey with a particularly impressive return on capital employed — at least in the current year. Meanwhile the dividend is not covered on a current cost basis.

Still, the shares rose another 7p to a year's high of 124p yesterday. The yield there is 7¼ per cent and the prospective p/e could be under 9, or about 12 on a fully taxed basis.

Index rose 3.2 to 469.5

Blue Circle

Blue Circle Industries has managed to restrict the drop in its first half profits, which have fallen by only 3 per cent to £20.6m pre-tax. This was a pleasant surprise to the stock market, which had been resigning itself to a more substantial fall, given the group's bearish remarks about its first quarter and the effect of strong sterling on foreign earnings, estimated by Blue Circle at £2¼m.

There has clearly been a sharp recovery in cement deliveries at home, where first half volume was unchanged at 4.3m tonnes after having been 8 per cent down at the end of March. The catching-up process is still going on, and the group is now a little more optimistic about medium-term prospects than it was: it is looking for a flat 1980 rather than a marked downturn. It seems to have picked up a couple of percentage points of market share in the first half, helped by cutbacks at Tunnel, and now claims 61 per cent of the British market.

But UK trading margins, down to just over 5¼ per cent from 7¼ per cent, have suffered considerably, and a 13 per cent price rise this month will do little more than recoup cost increases. Growth prospects depend more heavily than ever on the overseas side — things seem to be going well enough here, although construction demand in the Middle East has dropped and cement prices the important Mexican mark have been frozen. The decisi to spend £19m on a Chile cement works is a further ind cation of the group's an to enter developing mark Up 14p at 278p the shares tr at 7.8 times conservative stated historic earnings and the final dividend rises in li with the interim, the yield 6.4 per cent.

Precious metals

Precious metal prices we moving ahead strongly aga yesterday. The gold price w up by $3¼ and closed at a reco $319¾ per oz while silver hit new peak of 462p per oz. U.S. dollar terms it has esta lished itself firmly above t $10 per oz mark.

Both gold and silver hav been influenced by similar fea of inflation recently but sin gold bounced back from its lo point of $282 per oz earlier th month, the silver price has ou performed the other co modity. In just over three wee it has risen by 17 per cent. La year, by contrast, the silve price lagged far behind th growth in platinum and gol prices.

Much of this outperforman merely reflects a catching process but the silver mark differs from the gold market that new mine output is su stantially less than consumptio Last year, for example, silv production was only 265m compared with consumption 423m ozs. In the past th shortfall has been met fro stocks of which 730m ozs a estimated to be easily availab However, the big imponderab is India which banned silv exports earlier this year. Ther is reckoned to be over 3bn o of silver [illegible] on th sub-continent [illegible] doubt th smugglers [illegible] over time to try [illegible] current high [illegible]

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